

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	542324
<015> Study Area Name	KERMAN TELEPHONE CO
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	David Clark
<035> Contact Telephone Number: Number of the person identified in data line <030>	559-846-9311
<039> Contact Email Address: Email of the person identified in data line <030>	dclark@sebastiancorp.com

ANNUAL REPORTING FOR ALL CARRIERS	54.313 Completion Required	54.422 Completion Required
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			(check box when complete)	
<100> Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	
<200> Outage Reporting (voice)	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	<input style="width: 100px;" type="text" value="0"/>		<input checked="" type="checkbox"/>	
<310> Detail on Attempts (voice)	<input type="text"/>	<i>(attach descriptive document)</i>		
<320> Unfulfilled Service Requests (broadband)	<input type="text"/>			
<330> Detail on Attempts (broadband)	<input type="text"/>	<i>(attach descriptive document)</i>		
<400> Number of Complaints per 1,000 customers (voice)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	<input style="width: 100px;" type="text" value="0.2"/>			
<420> Mobile	<input type="text"/>			
<430> Number of Complaints per 1,000 customers (broadband)				
<440> Fixed	<input type="text"/>			
<450> Mobile	<input type="text"/>			
<500> Service Quality Standards & Consumer Protection Rules Compliance	<i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <input style="width: 100px;" type="text" value="542324-CA-510 Qual Cert"/>	<i>(attached descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	<i>(check to indicate certification)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <input style="width: 100px;" type="text" value="542324-CA-610 Emerg Cert"/>	<i>(attached descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	<i>(complete attached worksheet)</i>			
<710> Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>			
<800> Operating Companies and Affiliates	<i>(complete attached worksheet)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	<i>(if yes, complete attached worksheet)</i>			
<1000> Voice Services Rate Comparability	<i>(check to indicate certification)</i>			
<1010> <input type="text"/>	<i>(attach descriptive document)</i>			
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	<i>(if not, check to indicate certification)</i>			
<1110>	<i>(complete attached worksheet)</i>			
<1200> Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>			<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet		
<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>		
<2000>	<i>(check to indicate certification)</i>	
<2005>	<i>(complete attached worksheet)</i>	
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet		
<3000>	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>
<3005>	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<039>	Contact Email Address - Email Address of person identified in data line <030>	dclark@sebastiancorp.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input checked="" type="radio"/> <input 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.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

(900) Tribal Lands Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<015>	Study Area Name	KERMAN TELEPHONE CO
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<030>	Contact Name - Person USAC should contact regarding this data	David Clark
<035>	Contact Telephone Number - Number of person identified in data line <030>	559-846-9311
<039>	Contact Email Address - Email Address of person identified in data line <030>	dclark@sebastiancorp.com

<910> Tribal Land(s) on which ETC Serves N/A - The company does not serve any tribal lands

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)
NA
NA

(1100) No Terrestrial Backhaul Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	542324
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<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

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

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	542324
<015>	Study Area Name	KERNAN TELEPHONE CO
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<030>	Contact Name - Person USAC should contact regarding this data	David Clark
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<039>	Contact Email Address - Email Address of person identified in data line <030>	dclark@sebastiancorp.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 542324CA1210 KTC lifeline

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	542324
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<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	David Clark
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<039>	Contact Email Address - Email Address of person identified in data line <030>	dclark@sebastiancorp.com

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

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

(3000) Rate Of Return Carrier Additional Documentation Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	542324
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CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012,	Name of Attached Document Listing Required Information	<input type="checkbox"/>
(3011) contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.		
(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))		<input checked="" type="checkbox"/> (Yes/No)
(3014) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		<input 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	Name of Attached Document Listing Required Information	542324CA3017 RUS rpt (form 479) KTC 2012 2011
(3018) If the response is no on line 3014, Is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/> (Yes/No)
(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		<input type="checkbox"/>
(3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. 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,		<input type="checkbox"/>
(3023) Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024) Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026) Attach the worksheet listing required information	Name of Attached Document Listing Required Information	<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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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 LJ 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:	KERMAN TELEPHONE CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/09/2013
Printed name of Authorized Officer:	Al Baumgarner
Title or position of Authorized Officer:	Treasurer
Telephone number of Authorized Officer:	559-846-4865
Study Area Code of Reporting Carrier:	542324 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

KERMAN TELEPHONE CO (DBA SEBASTIAN)
2012 Annual 54.313 Report of High-Cost Recipient

54.313(a)(5) Certification

54.313(a)(5) Certification that it is complying with applicable service quality standards and consumer protection rules.

The following statements describe Kerman Telephone's compliance with the CPUC and FCC requirements for service quality standards and consumer protection.

Service Quality Standards

Kerman Telephone complies with the service standards of the CPUC General Order 133-C, Rules Governing Telecommunications Services – Service Quality, and CPUC General Order 168, Market Rules to Empower Consumers and to Prevent Fraud – Consumer Protection, and related orders of the CPUC.

Consumer Protection

Kerman Telephone complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information (CPNI) and the Federal Trade Commission Red Flags Rule to prevent identity theft. Kerman Telephone has adopted CPNI and Red Flags Rule procedures, training, recordkeeping, and supervisory reviews.

KERMAN TELEPHONE COMPANY, INC.
2012 Annual 54.313 Report of High-Cost Recipient

54.313(a)(6) Certification

54.313(a)(6) Certification that the carrier is able to function in emergency situations as set forth in §54.202(a)(2)

The following provides information that Kerman Telephone is able to function in emergency situations as set forth in §54.202(a)(2).

Back-up Power

Kerman Telephone has a reasonable amount of fixed generator back-up power, fueled by diesel, propane, gasoline, and battery to ensure functionality without an external power source for its host switch and remote terminals. This includes stand-by portable generators available for deployment.

Ability to reroute traffic around damaged facilities

Kerman Telephone is a single exchange company and has built alternate route facilities within its exchange and between our exchange and connecting companies. These redundant facilities are in the form of Synchronous Optical NETWORK (SONET) rings and Dense Wave Division Multiplexing (DWDM) rings.

Kerman Telephone has alternate routing capabilities to interexchange carriers and interconnected local exchange providers. They are Kerman Telephone's interconnection to the Public Switch Telephone Network (PSTN).

Capability to manage traffic spikes resulting from emergency situations

The host switching fabric is non-blocking. All of Kerman's host-remote links are engineered to a 4 to 1 concentration ratio. Kerman's transport capacity to the PSTN can handle 1,296 simultaneous calls.

Kerman Telephone takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but we will continue with our best efforts to ensure the capability of our network during such an event.

Schedule No. A-29

UNIVERSAL LIFELINE TELEPHONE SERVICE

APPLICABILITY

Applicable to eligible residence customers for Universal LifeLine Telephone Service (ULTS) a.k.a. California LifeLine Program or LifeLine furnished pursuant to the Moore Universal Telephone Service Act and in accordance with General Order 153. The Utility as listed throughout this Schedule is identified as the California LifeLine Service Provider in GO 153. (T)
 (N)
 (N)

TERRITORY

Within the exchange areas, as said areas are defined on maps filed as part of the tariff schedules.

RATES AND CHARGES*

	<u>Rate per Month</u>	
(1) Access Line Service:		
Extended Area Service:		(T)
a. Individual access line		
1. Local Flat Rate Service	\$20.25	(N)
2. EAS Increment	0.63	⋮
3. Federal Lifeline Credit	3.50	⋮
4. California Specific Support Credit	<u>10.64</u>	⋮
5. California LifeLine Flat Rate Service	\$6.74	(N)
		(D)
		(D)
	<u>Service Charge</u>	
(2) Service Connection Charges: (See Special Conditions 5)		
a. Each New Service Order for Initial Install:		(T)
1. New Service Order Charge	\$18.75	(N)
2. Central Office Connection Work Charge	<u>28.00</u>	⋮
	46.75	⋮
3. Federal Link Up Credit	23.38	⋮
4. California LifeLine Credit	<u>14.00</u>	⋮
5. California LifeLine Service Connection Charge	\$9.37	(N)

* The difference between the rates and charges in this Schedule and the regular tariffed rates and charges is recovered from the California ULTS Fund, federal Lifeline program, and/or federal Link Up program.

(Continued)

(To be inserted by the utility)
 Advice Letter No. 384

Issued by

 William S. Barcus

 NAME
 President

 TITLE

(To be inserted by Cal. P.U.C.)
 Date Filed November 1, 2011
 Effective December 1, 2011
 Resolution No. T-17321

Schedule No. A-29

UNIVERSAL LIFELINE TELEPHONE SERVICE

(Continued)

RATES AND CHARGES* - (Continued)

	<u>Service Charge</u>	
(2) Service Connection Charges: - (Continued) (See Special Conditions 5)		
b. Each Subsequent New Service Order:		(N)
1. New Service Order Charge	\$18.75	
2. Central Office Connection Work Charge	<u>28.00</u>	
	46.75	
3. California LifeLine Credit	<u>37.38</u>	
4. California LifeLine Service Connection Charge	\$9.37	
c. Each Non-Payment Reconnect Charge:		
1. Restoral Charge	\$37.25	
2. California LifeLine Credit	<u>27.88</u>	
3. California LifeLine Service Connection Charge	\$9.37	(N)
d. Each change to convert to ULTS:		(T)
1. Change Charge	\$9.37	(N)
2. California LifeLine Credit	<u>0.00</u>	
3. California LifeLine Service Conversion Charge	\$9.37	(N)

* The difference between the rates and charges in this Schedule and the regular tariffed rates and charges is recovered from the California ULTS Fund, federal Lifeline program, and/or federal Link Up program.

(Continued)

(To be inserted by the utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 384

William S. Barcus

Date Filed November 1, 2011

Decision No. _____

NAME
President

Effective December 1, 2011

\cng

TITLE

Resolution No. T-17321

Schedule No. A-29

UNIVERSAL LIFELINE TELEPHONE SERVICE
(Continued)

RATES AND CHARGES - (Continued)

Service Charge

(2) Service Connection Charges: - (Continued)

(D)

(D)

(Continued)

(To be inserted by the utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 287

William S. Barcus

Date Filed March 19, 2001

Decision No. 00-10-028

NAME

Vice President

Effective April 3, 2001

TITLE

Resolution No. _____

Schedule No. A-29

UNIVERSAL LIFELINE TELEPHONE SERVICE
 (Continued)

RATES AND CHARGES - (Continued)

	<u>Rate or Charge</u>	(D)
		(D)
(3) Surcharges	No Charge	
ULTS Rates (1) and (2) are exempt from California High Cost Fund A (CHCF-A) surcharge, California High Cost Fund B (CHCF-B) surcharge, California Advanced Services Fund (CASF) surcharge, California Teleconnect Fund (CTF) surcharge, California Relay Service Communications Device Fund (DDTP) surcharge, the California LifeLine (ULTS) surcharge, and the CPUC User Fee.		
		(T)
		(T)
		(T)
(4) FCC End User Common Line (EUCL) Charge*	No Charge	
(5) Toll Blocking	No Charge	
(6) Deposits (see Special Conditions 7)		
a. A deposit is not required to establish or reestablish credit for basic service for ULTS customers.		
b. A deposit may be required to maintain basic service if the Utility discovers the customer no longer qualifies for ULTS.		
c. A deposit may be required for non-basic service(s).		
d. If it is determined that false information has been provided, correct information plus a deposit for non-basic service(s) will be required.		(T)

* The difference between the rates and charges in this Schedule and the regular tariffed rates and charges is recovered from the California ULTS Fund, federal Lifeline program, and/or federal Link Up program.

(Continued)

(To be inserted by the utility)
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Decision No. _____

Issued by
William S. Barcus
 NAME
President
 TITLE

(To be inserted by Cal. P.U.C.)
Date Filed November 1, 2011

Effective December 1, 2011

Resolution No. T-17321

Schedule No. A-29

UNIVERSAL LIFELINE TELEPHONE SERVICE
(Continued)

SPECIAL CONDITIONS

1. Eligibility Criteria for Obtaining and Retaining ULTS:

a. Universal LifeLine Telephone Service (ULTS) is available to all residential customers who meet the following eligibility requirements:

- (1) The residence at which the service is requested is the subscriber's principal place of residence. An applicant for ULTS may report only one address in this state as his/her principal place of residence. (T)
(N)
(N)

The residence premises household (dwelling unit) shall consist of that portion of an individual house or building or one flat or apartment occupied entirely by a single family or individuals functioning as one domestic establishment.

The room or portion of a dwelling unit occupied exclusively by an individual not sharing equally as a member of the domestic establishment may be considered a separate residence for the application of ULTS. (T)
(T)

- (2) The subscriber and the members of the subscriber's household collectively have one, and only one, ULTS line, except as provided for elsewhere in this schedule. (T)

- (3) No person who is claimed as a dependent on another person's income tax return shall be eligible for ULTS.

- (4) Residential customers may qualify for ULTS by meeting either the Income-Based Criteria or the Program-Based Criteria.

- (5) Income-Based Criteria:

Income-based criterion allows an applicant to enroll in ULTS if members of the applicant's household collectively earn no more than the mandated annual income limits. Total household income is defined in Rules 1. (T)
(T)

For the current Household Income Limitations, please refer to the Pacific Bell Telephone Company's (d.b.a. AT&T California) Schedule Cal. P.U.C. No. A5, Universal LifeLine Telephone Service for the Income-Based Criterion.

Customers must also provide proof of their total household income. Acceptable income documents are: (T)

- (a) Prior year's state, federal, or tribal tax return, (T)
(b) Current income statement for an employee or paycheck stub for three consecutive month's worth of the same type of statements within the last 12 months, (T)
(T)

(Continued)

(To be inserted by the utility)

Issued by

(To be inserted by Cal. P.U.C.)

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Date Filed November 1, 2011

Decision No. _____

NAME

President

Effective December 1, 2011

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TITLE

Resolution No. T-17321

Schedule No. A-29

UNIVERSAL LIFELINE TELEPHONE SERVICE

(Continued)

SPECIAL CONDITIONS – (Continued)

1. Eligibility Criteria for Obtaining and Retaining ULTS: (Cont'd)

a. Universal Lifeline Telephone Service (ULTS) is available to all residential customers who meet the following eligibility requirements: (Cont'd)

(5) Income-Based Criteria: (Cont'd)

Customers must also provide proof of their total household income. Acceptable income documents are: (Cont'd)

(T)

- (c) Statement of benefits from Social Security, Veterans Administration, retirement/pension, unemployment compensation, and/or workmen's compensation,
- (d) A divorce decree,
- (e) Child support document,
- (f) Other official documents.

(Continued)

(To be inserted by the utility)

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NAME

President

TITLE

Resolution No. T-17321

Schedule No. A-29

UNIVERSAL LIFELINE TELEPHONE SERVICE
(Continued)

SPECIAL CONDITIONS - (Continued)

1. Eligibility Criteria for Obtaining and Retaining ULTS: - (Cont'd)

a. Universal Lifeline Telephone Service (ULTS) is available to all residential customers who meet the following eligibility requirements: (Cont'd)

(5) (Continued)

Borrowed money shall not be considered as income when determining eligibility for the ULTS program. Funds transferred from one account to another, such as from savings account to a checking account, shall not be considered as income when determining eligibility for the ULTS program, even if such funds are used for living expenses.

(6) Program-Based Criteria:

Program-based criterion allows an applicant to enroll in ULTS based on participation by the applicant or a member of the applicant's household in a means-tested programs approved by the Commission. Approved means-test programs are: (T)
(T)

- (a) Medicaid or Medi-Cal,
- (b) Supplemental Security Income (SSI),
- (c) CalFresh Program formerly called Food Stamps, (T)
- (d) Healthy Families Category A,
- (e) Tribal TANF,
- (f) Women, Infant and Children Program (WIC),
- (g) Low Income Home Energy Assistance Program (LIHEAP),
- (h) Federal Public Housing Assistance or Section 8,
- (i) Temporary Assistance for Needy Families (TANF), also known in California as:
California Work Opportunity and Responsibility to Kids (CalWorks)
Stanislaus Work Opportunity and Responsibility to Kids (StanWorks)
Welfare-to-Work (WTW) (T)
Greater Avenues for Independence (GAIN)
- (j) National School Lunch Program (NSLP), (T)
- (k) Bureau of Indian Affairs General Assistance,
- (l) Head Start Income Eligible (Tribal Only).

(7) For self-employed members, the "income from self-employment" shown on IRS Form 1040, Schedule C, line 29 shall be used to determine eligibility for ULTS. (T)

(8) A subscriber shall be eligible to receive two ULTS lines if: (i) the subscriber meets all ULTS eligibility criteria set forth above; (ii) a member of the subscriber's household is a disabled member and has immediate and continuous access within the household to a TTY; and (iii) the TTY is issued by DDTP or a medical certificate indicating the household member's need for a TTY is submitted. (T)
(T)

(9) All ULTS rules and regulations that apply to the one ULTS line shall apply equally to the second ULTS line provided to a subscriber. (T)

(Continued)

(To be inserted by the utility)

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(To be inserted by Cal. P.U.C.)

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Resolution No. T-17321

Schedule No. A-29

UNIVERSAL LIFELINE TELEPHONE SERVICE

(Continued)

SPECIAL CONDITIONS - (Continued)

1. Eligibility Criteria for Obtaining and Retaining ULTS: - (Cont'd)

a. Universal LifeLine Telephone Service (ULTS) is available to all residential customers who meet the following eligibility requirements: (Cont'd)

(10) Customers that verbally certify they meet the ULTS income limits and have proof of income or participate in an approved public program will receive an Application Form in the mail from the California LifeLine Administrator for completion and submission prior to being enrolled in the ULTS program. (T)
(T)

(11) The completed Application Form and supporting documents, if any, must be received by the California LifeLine Administrator on or before the deadline date specified in the Application Form. (T)
(T)

(12) Enrollment Process:

(a) The Utility shall send a confirmation notice to all California LifeLine applicants informing them of the arrival of Application Forms from the California LifeLine Administrator and the requirement to return the completed forms with all required documentation. The notice shall also inform them that failure to return all the required documentation by the deadline date will result in denial of LifeLine service. (T)
(T)

(b) Customers will incur regular tariff rates and charges until the approval of their California LifeLine Application Form process is completed. (T)
(T)

(c) Customers will be converted to LifeLine service upon the Utility receiving confirmation of the customer's eligibility from the California LifeLine Administrator. (T)
(T)

(d) Customers will receive a credit on their bill for the LifeLine discounts retroactive to their application date which will appear on their next bill. The customer may request a refund check for a net credit if the amount is over \$10.00. (T)

(13) The Utility shall not knowingly enroll an applicant into the ULTS program who does not meet the ULTS eligibility criteria and the Utility shall not knowingly allow a subscriber to remain in the ULTS program who does not meet the ULTS eligibility criteria. (T)
(T)

(14) The Utility shall not link the availability of discounted phone service under the ULTS program with the sale of non-ULTS services.

(Continued)

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Resolution No. T-17321

Schedule No. A-29

UNIVERSAL LIFELINE TELEPHONE SERVICE

(Continued)

SPECIAL CONDITIONS - (Continued)

1. Eligibility Criteria for Obtaining and Retaining ULTS: - (Cont'd)
 - a. Universal LifeLine Telephone Service (ULTS) is available to all residential customers who meet the following eligibility requirements: (Cont'd)
 - (15) The Utility must inform the applicant that he or she may opt to receive the instructions for the Application Form in Braille (English Only) or the instructions and the Application Form in large print. (T)
 - (16) A subscriber changing his/her Utility shall not be required to undergo the Application Process, provided that the subscriber initiates California LifeLine service with his/her new Utility within 30 days of disconnecting California LifeLine service with the previous Utility and the subscriber maintains eligibility in all other respects. If a subscriber changes his or her principal place of residence, while maintaining eligibility in all other respects, the subscriber shall not be required to go through the Application Process again. (T)
2. Universal LifeLine Telephone Service (ULTS) is available to eligible customers subscribing to individual line service.
3. ULTS includes all the service elements defined in Rule No. 1 for Basic Service.

(Continued)

(To be inserted by the utility)

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UNIVERSAL LIFELINE TELEPHONE SERVICE

(Continued)

SPECIAL CONDITIONS - (Continued)

4. ULTS is restricted to residence local exchange service, including all applicable extended area service. Foreign Exchange Service and other non-ULTS services are excluded from this offering.

5. Discounted Nonrecurring Charges:

a. Initial Installation

(1) The Universal LifeLine Telephone Service (ULTS) connection charge is applicable to each eligible household residing at the same principal place of residence. (T)

(2) The ULTS connection charge may be applicable any time a subscriber (i) establishes ULTS, (ii) re-establishes ULTS at the same residence at which ULTS was previously provided (even when the customer was disconnected for nonpayment), (iii) establishes ULTS at a new residence, or (iv) switches ULTS from one utility to another. (T)

(3) Utilities may not impose a "central office charge" in addition to the ULTS connection charge when installing or activating California LifeLine. (T)

(4) Installation of a second and subsequent telephone service connections shall be subject to the Utility's regular tariffed rates for these connections, except that subscribers with a disabled household member may qualify for ULTS connection charges on two residential telephone connections. (T)

b. Change Charges

The ULTS conversion charge is applicable each time a ULTS subscriber requests a change in the class (business or residential to ULTS), type (this means measured to flat rate service or vice versa, which is not applicable in our territory), or grade of service (this means going from one to two party service or vice versa, which is not applicable in our territory), including requests to change from Foreign Exchange Service. There is no limit on the number of times a ULTS subscriber may pay the ULTS conversion charge to change the class, type, or grade of service. This discounted charge excludes adding services not covered under the ULTS program. No conversion charge is assessed if a LifeLine applicant fails to qualify or if a LifeLine subscriber is removed from the LifeLine program (either voluntarily or involuntarily). (T)

(Continued)

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UNIVERSAL LIFELINE TELEPHONE SERVICE

(Continued)

SPECIAL CONDITIONS - (Continued)

6. Eligible subscribers of this service may have up to twelve months to pay the Utility for the reduced service connection charges without interest. The Utility may charge a late-payment fee when Universal LifeLine Telephone Service (ULTS) subscribers fail to timely remit some or all of the ULTS connection charge under a deferred-payment schedule. (T)
7. Deposits for establishment of service from applicants for new service, as outlined in Cal. P.U.C. Rule No. 7, will not be required of eligible ULTS recipients. The Utility may require a ULTS customer to pay any overdue ULTS rates and charges, or make payment arrangements, before ULTS is reinstated at the same address or at a new address. The Utility may apply toll restriction to a ULTS customer's line when toll charges are not paid and optional services may be discontinued. (T)

(Continued)

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UNIVERSAL LIFELINE TELEPHONE SERVICE
(Continued)

SPECIAL CONDITIONS - (Continued)

8. Universal LifeLine Telephone Service (ULTS) shall be subject to the conditions set forth in Cal. P.U.C. Rule No. 11, Discontinuance and Restoration of Service. Unless the customer directs otherwise, a partial payment will be applied towards the local service non-recurring and recurring charges, and federal taxes associated with this service. (T)
9. Applicants who wish to re-establish ULTS service after removal from the program will be treated as a new applicant, subject to the Application Process and G.O. 153 rules, and a Service Conversion Charge as shown in Rates (2) above (once the applicant has successfully re-established ULTS service). The ULTS discount will be effective on the Application Date and will not be applied retroactively to the prior enrollment period.
10. The California LifeLine Administrator will qualify new ULTS customers and verify the continued eligibility of existing ULTS customers. (T)
11. Subscribers must notify the Utility of a change in any condition which occurs that would cause the household to no longer qualify for the service or a second ULTS line. Upon receipt of notification, the Utility will change the service to regular tariffed rates for the service furnished. Service connection charges will not apply to the change in service. The three-month limitation to back bill, as set forth in Rule No. 9, is not applicable to this service. (T)

(Continued)

(To be inserted by the utility)

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UNIVERSAL LIFELINE TELEPHONE SERVICE

(Continued)

SPECIAL CONDITIONS - (Continued)

12. Each Universal Lifeline Telephone Service (ULTS) customer is subject to the annual renewal process. (T)
13. The Utility will annually mail a notification of availability of ULTS to all its residential customers. (T)
14. In addition to the rates and conditions specified herein, all rules, regulations, charges, and rates in conjunction with the services furnished elsewhere in the tariffs are also applicable to the service provided under this schedule.
15. Optional services and equipment are not included in ULTS rates, but will be provided to ULTS customers at applicable tariffed rates and charges. Non-ULTS lines will be available to ULTS customers at the applicable regular tariffed rates and charges.
16. ULTS rates shall be applied to each monthly statement for the months this service is furnished and shall apply only for the duration of this service.
17. Definitions covered under the California LifeLine Program and words used throughout this Schedule are defined in GO153. (N)
(N)

(Continued)

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UNIVERSAL LIFELINE TELEPHONE SERVICE

(Continued)

SPECIAL CONDITIONS - (Continued)

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Resolution No. T-17321

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION CA0540
<i>INSTRUCTIONS- See RUS Bulletin 1744-2</i>	PERIOD ENDING December, 2012

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	5,760,305	5,480,181
2. Network Access Services Revenues	6,972,049	6,871,853
3. Long Distance Network Services Revenues	0	
4. Carrier Billing and Collection Revenues	123,663	119,927
5. Miscellaneous Revenues	234,149	172,585
6. Uncollectible Revenues	99,878	72,835
7. Net Operating Revenues (1 thru 5 less 6)	12,990,288	12,571,711
8. Plant Specific Operations Expense	3,213,440	3,259,279
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	673,206	598,751
10. Depreciation Expense	2,206,551	2,126,763
11. Amortization Expense	0	
12. Customer Operations Expense	1,456,206	1,620,665
13. Corporate Operations Expense	2,442,562	2,908,099
14. Total Operating Expenses (8 thru 13)	9,991,965	10,513,557
15. Operating Income or Margins (7 less 14)	2,998,323	2,058,154
16. Other Operating Income and Expenses	2,958	386
17. State and Local Taxes	269,065	289,916
18. Federal Income Taxes	1,277,364	433,074
19. Other Taxes	260,898	(6,944)
20. Total Operating Taxes (17+18+19)	1,807,327	716,046
21. Net Operating Income or Margins (15+16-20)	1,193,954	1,342,494
22. Interest on Funded Debt	409,215	414,386
23. Interest Expense - Capital Leases	0	
24. Other Interest Expense	0	
25. Allowance for Funds Used During Construction	28,016	82,357
26. Total Fixed Charges (22+23+24-25)	381,199	332,029
27. Nonoperating Net Income	(13,084)	(25,000)
28. Extraordinary Items	1,207,919	
29. Jurisdictional Differences		
30. Nonregulated Net Income	(25,838)	(18,191)
31. Total Net Income or Margins (21+27+28+29+30-26)	1,981,752	967,274
32. Total Taxes Based on Income	950,279	
33. Retained Earnings or Margins Beginning-of-Year	8,065,805	8,947,557
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)	1,100,000	1,000,000
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)]	8,947,557	8,914,831
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	1,362,803	1,510,120
45. Cash Ratio [(14+20-10-11) / 7]	0.7385	0.7241
46. Operating Accrual Ratio [(14+20+26) / 7]	0.9377	0.9197
47. TIER [(31+26) / 26]	6.1987	3.9132
48. DSCR [(31+26+10+11) / 44]	3.3530	2.2687

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

CA0540

PERIOD ENDED

December, 2012

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

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Kerman Telephone Company	34.80	20.88	1,197	4,212	5,409	885.33	210.51
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			1,197	4,212	5,409	885.33	210.51
No. Exchanges	1						

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

CA0540

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)
Kerman Telephone Company	5,409	2,452	661	1,500	768	29.95	StandAlone	Fiber to the Home
Total	5,409	2,452						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION CA0540
	PERIOD ENDING December, 2012

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees 11	2. No. Other Employees 40	3. Square Miles Served 177	4. Access Lines per Square Mile 30.56	5. Subscribers per Route Mile 6.11
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PART E. TOLL DATA

1. Study Area ID Code(s) a. 542324 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
---	--

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	1,484,842
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)	2,083,043
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	3,567,885

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	0				
2. Investment in Affiliated Companies - Nonrural Development	0				

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION CA0540
	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)

YES NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	11.08%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	3.57%
5. Land and support assets - Buildings	1.88%
6. Land and support assets - Furniture and Office equipment	20.89%
7. Land and support assets - General purpose computers	9.99%
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	9.62%
10. Central Office Switching - Operator Systems	8.31%
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	8.31%
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	8.52%
22. Cable and wire facilities - Underground cable - Fiber	4.16%
23. Cable and wire facilities - Buried cable - Metal	4.23%
24. Cable and wire facilities - Buried cable - Fiber	4.16%
25. Cable and wire facilities - Conduit systems	3.71%
26. Cable and wire facilities - Other	

USDA-RUS		BORROWER DESIGNATION CA0540
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		PERIOD ENDED December, 2012
INSTRUCTIONS – See help in the online application.		
PART I – STATEMENT OF CASH FLOWS		
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	276,633
CASH FLOWS FROM OPERATING ACTIVITIES		
2.	Net Income	967,274
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add: Depreciation	2,126,763
4.	Add: Amortization	0
5.	Other (Explain) Accrued Taxes	(253,592)
<i>Changes in Operating Assets and Liabilities</i>		
6.	Decrease/(Increase) in Accounts Receivable	1,198,009
7.	Decrease/(Increase) in Materials and Inventory	(241,646)
8.	Decrease/(Increase) in Prepayments and Deferred Charges	(318,792)
9.	Decrease/(Increase) in Other Current Assets	171,901
10.	Increase/(Decrease) in Accounts Payable	(277,494)
11.	Increase/(Decrease) in Advance Billings & Payments	(5,978)
12.	Increase/(Decrease) in Other Current Liabilities	81,951
13.	Net Cash Provided/(Used) by Operations	3,448,396
CASH FLOWS FROM FINANCING ACTIVITIES		
14.	Decrease/(Increase) in Notes Receivable	0
15.	Increase/(Decrease) in Notes Payable	500,000
16.	Increase/(Decrease) in Customer Deposits	0
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	698,451
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	353,997
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20.	Less: Payment of Dividends	(1,000,000)
21.	Less: Patronage Capital Credits Retired	0
22.	Other (Explain)	
23.	Net Cash Provided/(Used) by Financing Activities	552,448
CASH FLOWS FROM INVESTING ACTIVITIES		
24.	Net Capital Expenditures (Property, Plant & Equipment)	(2,436,112)
25.	Other Long-Term Investments	0
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explain) Salvage & Retirement Adjustments	(1,332,043)
28.	Net Cash Provided/(Used) by Investing Activities	(3,768,155)
29.	Net Increase/(Decrease) in Cash	232,689
30.	Ending Cash	509,322

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION CA0540
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2012
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>CA0540</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2012</p>
<p>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

CA0540

PERIOD ENDING

December, 2011

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	5,851,262	5,760,305
2. Network Access Services Revenues	6,486,712	6,972,049
3. Long Distance Network Services Revenues	0	0
4. Carrier Billing and Collection Revenues	133,946	123,663
5. Miscellaneous Revenues	418,317	234,149
6. Uncollectible Revenues	51,063	99,878
7. Net Operating Revenues (1 thru 5 less 6)	12,839,174	12,990,288
8. Plant Specific Operations Expense	2,847,252	3,213,440
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	764,619	673,206
10. Depreciation Expense	2,143,033	2,206,551
11. Amortization Expense	0	0
12. Customer Operations Expense	1,546,006	1,456,206
13. Corporate Operations Expense	2,451,260	2,442,562
14. Total Operating Expenses (8 thru 13)	9,752,170	9,991,965
15. Operating Income or Margins (7 less 14)	3,087,004	2,998,323
16. Other Operating Income and Expenses	21,638	2,958
17. State and Local Taxes	93,956	269,065
18. Federal Income Taxes	403,259	1,277,364
19. Other Taxes	247,623	260,898
20. Total Operating Taxes (17+18+19)	744,838	1,807,327
21. Net Operating Income or Margins (15+16-20)	2,363,804	1,193,954
22. Interest on Funded Debt	406,612	409,215
23. Interest Expense - Capital Leases	0	0
24. Other Interest Expense	0	0
25. Allowance for Funds Used During Construction	32,310	28,016
26. Total Fixed Charges (22+23+24-25)	374,302	381,199
27. Nonoperating Net Income	(14,789)	(13,084)
28. Extraordinary Items	(1,247,919)	1,207,919
29. Jurisdictional Differences	0	
30. Nonregulated Net Income	(11,666)	(25,838)
31. Total Net Income or Margins (21+27+28+29+30-26)	715,128	1,981,752
32. Total Taxes Based on Income	497,215	950,279
33. Retained Earnings or Margins Beginning-of-Year	8,775,677	8,065,805
34. Miscellaneous Credits Year-to-Date	0	
35. Dividends Declared (Common)	1,425,000	1,100,000
36. Dividends Declared (Preferred)	0	
37. Other Debits Year-to-Date	0	
38. Transfers to Patronage Capital	0	
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	8,065,805	8,947,557
40. Patronage Capital Beginning-of-Year	0	
41. Transfers to Patronage Capital	0	
42. Patronage Capital Credits Retired	0	
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	1,188,532	1,362,803
45. Cash Ratio [(14+20-10-11) / 7]	0.6507	0.7385
46. Operating Accrual Ratio [(14+20+26) / 7]	0.8467	0.9377
47. TIER [(31+26) / 26]	2.9106	6.1987
48. DSCR [(31+26+10+11) / 44]	2.7197	3.3530

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

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Kerman Telephone Co	34.80	20.88	1,224	4,506	5,730	869.99	195.77
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			1,224	4,506	5,730	869.99	195.77
No. Exchanges	1						

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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)
Kerman Telephone Co	5,730	2,585	695	512	384	29.95	StandAlone	
Total	5,730	2,585						

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INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA				
1. No. Plant Employees	5	2. No. Other Employees	48	3. Square Miles Served
			177	4. Access Lines per Square Mile
				32.37
				5. Subscribers per Route Mile
				6.59

PART E. TOLL DATA	
1. Study Area ID Code(s) a. 542324 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR	
1. RUS, RTB, & FFB Loan Funds Expended	1,767,431
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)	627,076
6. Salvaged Materials	27,988
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	2,422,495

PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development	0				
2. Investment in Affiliated Companies - Nonrural Development	0				

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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)

YES

NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	11.08%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	3.57%
5. Land and support assets - Buildings	1.88%
6. Land and support assets - Furniture and Office equipment	20.89%
7. Land and support assets - General purpose computers	9.99%
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	9.62%
10. Central Office Switching - Operator Systems	8.31%
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	8.31%
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	4.16%
21. Cable and wire facilities - Underground cable - Metal	8.52%
22. Cable and wire facilities - Underground cable - Fiber	4.23%
23. Cable and wire facilities - Buried cable - Metal	4.23%
24. Cable and wire facilities - Buried cable - Fiber	4.16%
25. Cable and wire facilities - Conduit systems	3.71%
26. Cable and wire facilities - Other	

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INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	988,612
CASH FLOWS FROM OPERATING ACTIVITIES		
2.	Net Income	1,981,752
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add: Depreciation	2,206,551
4.	Add: Amortization	0
5.	Other (Explain) Accrued Taxes	119,284
<i>Changes in Operating Assets and Liabilities</i>		
6.	Decrease/(Increase) in Accounts Receivable	(928,946)
7.	Decrease/(Increase) in Materials and Inventory	(128,269)
8.	Decrease/(Increase) in Prepayments and Deferred Charges	(280,196)
9.	Decrease/(Increase) in Other Current Assets	(39,453)
10.	Increase/(Decrease) in Accounts Payable	(538,586)
11.	Increase/(Decrease) in Advance Billings & Payments	(3,993)
12.	Increase/(Decrease) in Other Current Liabilities	(15,445)
13.	Net Cash Provided/(Used) by Operations	2,372,699
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)	759,839
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	860,750
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20.	Less: Payment of Dividends	(1,100,000)
21.	Less: Patronage Capital Credits Retired	0
22.	Other (Explain)	
23.	Net Cash Provided/(Used) by Financing Activities	520,589
CASH FLOWS FROM INVESTING ACTIVITIES		
24.	Net Capital Expenditures (Property, Plant & Equipment)	(3,410,699)
25.	Other Long-Term Investments	0
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explain) Salvage & Retirement Adjustments	(194,568)
28.	Net Cash Provided/(Used) by Investing Activities	(3,605,267)
29.	Net Increase/(Decrease) in Cash	(711,979)
30.	Ending Cash	276,633

Revision Date 2010

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CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	