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CONSULTING

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Received & Inspected
OCT 29 2013
FCC Mail Room

REDACTED – FOR PUBLIC INSPECTION

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: CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-0135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION. (FILED IN DOCKETS 10-90)

Dear Ms. Dortch,

Chugwater Telephone Company (Chugwater) hereby submits the attached redacted and confidential versions of its "FCC Form 481 – Carrier Annual Reporting Data Collection" financial information pursuant to sections §54.313 of the Commission's rules, as filed with the Universal Service Administrative Company.

Section 3005 of Form 481 requires the filing of financial information per 47 C.F.R. §54.313(f)(2). Chugwater maintains that this information is "Confidential Financial Information" on the grounds that it is competitively sensitive information which could be used to disadvantage or harm Chugwater and is submitting this information pursuant to Protective Order, DA 12-1857 as described below.

First, Chugwater is submitting the "Confidential Financial Information" as a "Stamped Confidential Document" with each page bearing the legend CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-0135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION. One copy of the "Stamped Confidential Document" and accompanying cover letter are enclosed.

No. of Copies rec'd 0+1
List ABCDE

Second, Chugwater is submitting the "Stamped Confidential Document" as a "Redacted Confidential Document" where the "Confidential Financial Information" has been redacted. Two copies of the "Redacted Confidential Document" and accompanying cover letter with each page stamped "REDACTED - FOR PUBLIC INSPECTION" are enclosed.

Finally, Chugwater is submitting two copies of the "Stamped Confidential Document" and accompanying cover letter to Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 Twelfth Street S.W., Room 5-A452, Washington, D.C. 20554.

FCC Form 481 was also filed prior to October 15th with the Wyoming Public Service Commission.

Please contact me with any questions you have on this filing.

Sincerely,

/s/ Andy Schein

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

Enclosures

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Kiesling
Foresight for your future

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Chugwater Telephone Company
Chugwater, WY 82210

We have compiled the accompanying balance sheets of Chugwater Telephone Company (a Wyoming corporation) as of December 31, 2012 and 2011, and the related 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 not audited or reviewed the financial statements included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Federal Communications Commission (FCC).

Management is responsible for the preparation and fair presentation of the financial statements included in the form prescribed by the FCC and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

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 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 statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the FCC, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the FCC, Universal Service Administrative Company and the Wyoming Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

Kinley Cluitter LLP

Colorado Springs, CO
September 30, 2013

REDACTED – FOR PUBLIC INSPECTION

(3005a) Operating Report for Privately-Held Rate of Return Carriers
Balance Sheet - Data Collection Form
Page 1 of 3

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

Received & Inspected
OCT 29 2013
FCC Mail Room

<010> Study Area Code	512289
<015> Study Area Name	Chugwater Telephone Company
<020> Program Year	2012
<030> Contact Name - Person USAC should contact regarding this data	Andy Schein, GVNW Consulting, Inc.
<035> Contact Telephone Number - Number of person identified in data line <030>	719 594-5820
<039> Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnw.com

Filed as reviewed single company		Filed as audited single company	X
Filed as reviewed consolidated company		Filed as audited consolidated company	
Filed as subsidiary of reviewed consolidated company		Filed as subsidiary of audited consolidated company	

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.

Signature — Date 10-7-2013

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS	[redacted]	[redacted]	URRENT LIABILITIES	[redacted]	[redacted]
1 Cash and Equivalents	[redacted]	[redacted]	Accounts Payable	[redacted]	[redacted]
2. Cash-RUS Construction Fund	[redacted]	[redacted]	Notes Payable	[redacted]	[redacted]
3 Affiliates	[redacted]	[redacted]	Advance Billings and Payments	[redacted]	[redacted]
a Telecom. Accounts Receivable	[redacted]	[redacted]	Customer Deposits	[redacted]	[redacted]
b Other Accounts Receivable	[redacted]	[redacted]	Current Mat. L/T Debt	[redacted]	[redacted]
c Notes Receivable	[redacted]	[redacted]	Current Mat. L/T Debt-Rur. Dev	[redacted]	[redacted]
4 Non-Affiliates	[redacted]	[redacted]	Current Mat.-Capital Leases	[redacted]	[redacted]
a Telecom. Accounts Receivable	[redacted]	[redacted]	Income Taxes Accrued	[redacted]	[redacted]
b. Other Accounts Receivable	[redacted]	[redacted]	Other Taxes Accrued	[redacted]	[redacted]
c Notes Receivable	[redacted]	[redacted]	Other Current Liabilities	[redacted]	[redacted]
5 Interest and Dividends Receivable	[redacted]	[redacted]	Total Current Liabilities (25 thru 34)	[redacted]	[redacted]
6. Material-Regulated	[redacted]	[redacted]	ONG-TERM DEBT	[redacted]	[redacted]
7 Material Nonregulated	[redacted]	[redacted]	Funded Debt-RUS Notes	[redacted]	[redacted]
8 Prepayments	[redacted]	[redacted]	Funded Debt-RTB Notes	[redacted]	[redacted]
9 Other Current Assets	[redacted]	[redacted]	Funded Debt-FFB Notes	[redacted]	[redacted]
0 Total Current Assets (1 Thru 9)	[redacted]	[redacted]	Funded Debt-Other	[redacted]	[redacted]
			Funded Debt-Rural Develop. Loan	[redacted]	[redacted]
NONCURRENT ASSETS	[redacted]	[redacted]	Premium (Discount) on L/T Debt	[redacted]	[redacted]
1 Investment in Affiliated Companies	[redacted]	[redacted]	Reacquired Debt	[redacted]	[redacted]
a Rural Development	[redacted]	[redacted]	Obligations Under Capital Lease	[redacted]	[redacted]
b Nonrural Development	[redacted]	[redacted]	Adv. From Affiliated Companies	[redacted]	[redacted]
2 Other Investments	[redacted]	[redacted]	Other Long-Term Debt	[redacted]	[redacted]
a Rural Development	[redacted]	[redacted]	Total Long-Term Debt (36 thru 45)	[redacted]	[redacted]
b Nonrural Development	[redacted]	[redacted]	THER LIAB. & DEF. CREDITS	[redacted]	[redacted]
3 Nonregulated Investments	[redacted]	[redacted]	Other Long-Term Liabilities	[redacted]	[redacted]
4. Other Noncurrent Assets	[redacted]	[redacted]	Other Deferred Credits	[redacted]	[redacted]
5 Deferred Charges	[redacted]	[redacted]	Other Jurisdictional Differences	[redacted]	[redacted]
6 Jurisdictional Differences	[redacted]	[redacted]	Total Other Liabilities and Deferred Credits (47 thru 49)	[redacted]	[redacted]
7 Total Noncurrent Assets (11 thru 16)	[redacted]	[redacted]	QUITY	[redacted]	[redacted]
			Cap. Stock Outstanding & Subscribed	[redacted]	[redacted]
PLANT, PROPERTY, AND EQUIPMENT	[redacted]	[redacted]	Additional Paid In-Capital	[redacted]	[redacted]
8 Telecom. Plant-in-Service	[redacted]	[redacted]	Treasury Stock	[redacted]	[redacted]
9 Property Held for Future Use	[redacted]	[redacted]	Membership and Cap. Certificates	[redacted]	[redacted]
0 Plant Under Construction	[redacted]	[redacted]	Other Capital	[redacted]	[redacted]
1 Plant Adj., Nonop. Plant & Goodwill	[redacted]	[redacted]	Patronage Capital Credits	[redacted]	[redacted]
2 Less Accumulated Depreciation	[redacted]	[redacted]	Retained Earnings or Margins	[redacted]	[redacted]
3 Net Plant (18 thru 21 less 22)	[redacted]	[redacted]	Total Equity (51 thru 57)	[redacted]	[redacted]
4. TOTAL ASSETS (10+17+23)	[redacted]	[redacted]	9. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	[redacted]	[redacted]

See Accountant's Compilation Report

(3005b) Operating Report for Privately-Held Rate of Return Carriers
Income Statement - Data Collection Form

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

Page 2 of 3

<010> Study Area Code	512289
<013> Study Area Name	Chugwater Telephone Company
<020> Program Year	2012
<030> Contact Name - Person USAC should contact regarding this data	Andy Schein, GVNW Consulting, Inc.
<033> Contact Telephone Number - Number of person identified in data line <030>	719-594-5820
<039> Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnw.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

	ITEM	PRIOR YEAR	THIS YEAR
1.	Local Network Services Revenues	[redacted]	
2.	Network Access Services Revenues		
3.	Long Distance Network Services Revenues		
4.	Carrier Billing and Collection Revenues		
5.	Miscellaneous Revenues		
6.	Uncollectible Revenues		
7.	Net Operating Revenues (1 thru 5 less 6)		
8.	Plant Specific Operations Expense		
9.	Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10.	Depreciation Expense		
11.	Amortization Expense		
12.	Customer Operations Expense		
13.	Corporate Operations Expense		
14.	Total Operating Expenses (8 thru 13)		
15.	Operating Income or Margins (7 less 14)		
16.	Other Operating Income and Expenses		
17.	State and Local Taxes		
18.	Federal Income Taxes		
19.	Other Taxes		
20.	Total Operating Taxes (17+18+19)		
21.	Net Operating Income or Margins (15+16-20)		
22.	Interest on Funded Debt		
23.	Interest Expense - Capital Leases		
24.	Other Interest Expense		
25.	Allowance for Funds Used During Construction		
26.	Total Fixed Charges (22+23+24-25)		
27.	Nonoperating Net Income		
28.	Extraordinary Items		
29.	Jurisdictional Differences		
30.	Nonregulated Net Income		
31	Total Net Income or margins (21+27+28+29+30-26)		
32.	Total Taxes Based on Income		
33.	Retained Earnings or Margins Beginning-of-Year		
34.	Miscellaneous Credits Year-to-Date		
35.	Dividends Declared (Common)		
36.	Dividends Declared (Preferred)		
37.	Other Debits Year-to-Date		
38.	Transfers to Patronage Capital		
39.	Retained Earnings or Margins end-of-Period ((31+33+34)-(35+36+37+38))		
40.	Patronage Capital Beginning-of-Year		
41.	Transfers to Patronage Capital		
42	Patronage Capital Credits Retired		
43	Patronage Capital End-of-Year (40+41-42)		
44.	Annual Debt Service Payments		
45.	Cash Ratio ((14+20-10-11)/7)		
46.	Operating Accrual Ratio ((14+20+26)/7)		
47.	TIER ((31+26)/26)		
48.	DSCR ((31+26+10+11)/44)		

See Accountant's Compilation Report

(3005c) Operating Report for Privately-Held Rate of Return Carriers
Cash Flow - Data Collection Form

Page 3 of 3

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

<010> Study Area Code	512289
<015> Study Area Name	Chugwater Telephone Company
<020> Program Year	2012
<030> Contact Name - Person USAC should contact regarding this data	Andy Schein, GVNW Consulting, Inc.
<035> Contact Telephone Number - Number of person identified in data line <030>	719-554-5820
<039> Contact Email Address - Email Address of person identified in data line <030>	ascheln@gvnw.com

	PART C. STATEMENTS OF CASH FLOWS	
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	[redacted]
	CASH FLOWS FROM OPERATING ACTIVITIES	
2.	Net Income	
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation	
4.	Add: Amortization	
5.	Other (Explain) - Deferred Income Taxes	
	Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable	
7.	Decrease/(Increase) in Materials and Inventory	
8.	Decrease/(Increase) in Prepayments and Deferred Charges	
9.	Decrease/(Increase) in Other Current Assets	
10.	Increase/(Decrease) in Accounts Payable	
11.	Increase/(Decrease) in Advance Billings & Payments	
12.	Increase/(Decrease) in Other Current Liabilities	
13.	Net Cash Provided/(Used) by Operations	
	CASH FLOWS FROM FINANCING ACTIVITIES	
14	Decrease/(Increase) in Notes Receivable	
15.	Increase/(Decrease) in Notes Payable	
16.	Increase/(Decrease) in Customer Deposits	
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20.	Less: Payment of Dividends	
21.	Less: Patronage Capital Credits Retired	
22.	Other (Explain)	
23.	Net Cash Provided/(Used) by Financing Activities	
	CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)	
25.	Other Long-Term Investments	
26.	Other Noncurrent Assets & Jurisdictional Differences	
27.	Other (Explain) - Salvage, net of cost of removing plant	
28.	Net Cash Provided/(Used) by Investing Activities	
29.	Net Increase/(Decrease) in Cash	
30.	Ending Cash	
	See Accountant's Compilation Report	

REDACTED – FOR PUBLIC INSPECTION

To the Board of Directors
Chugwater Telephone Company
Chugwater, Wyoming

We have audited the financial statements of Chugwater Telephone Company, as of and for the year ended December 31, 2012, and have issued our report thereon dated June 19, 2013.

Professional standards require the auditor to communicate certain matters to those charged with governance. The following comments regarding our responsibilities and results of our audit of the financial statements of Chugwater Telephone Company for the year ended December 31, 2012, will assist you in overseeing the financial reporting and disclosure process for which management is responsible.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility as described by professional standards and stated in our engagement letter, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of Chugwater Telephone Company. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters. We are also responsible for communicating matters required by law, regulation, agreement or other requirements applicable to the engagement to you.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies.

Qualitative Aspects of Accounting Practices (Continued)

The significant accounting policies of the Company are described in footnotes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2012.

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

The only sensitive accounting estimates included in the financial statements for the year ended December 31, 2012, relate to the estimates for depreciation. As part of our audit, we compared the Company's depreciation rates to average rates used within the telecommunications industry. We have also discussed with management the Company's long-range plant replacement plans and have determined the current depreciation rates to be consistent with those plans.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Our management letter and our report on internal control both dated June 19, 2013, comment on other findings and recommendations.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit that individually or in the aggregate were of such significance that reference to the subject matter would have been made in our reports.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 19, 2013.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

This report is intended solely for the information and use of the FCC, Universal Service Administrative Company and the Wyoming Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

Kirkley Smith LLP

Colorado Springs, Colorado
June 19, 2013