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## CONFIRMATION

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**Congratulations. Your filing has been successfully certified.**

Filing 1 was successfully certified on Wed 18 Jun 14 01:06:04 PM EDT by Imason@smtel.com .

SAC : 482254

SPIN : 143002542

Carrier Name : SOUTHERN MONTANA TEL

Program Year : 2015

[Return to 481 Search](#)

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<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2015
<030>	Contact Name: Person USAC should contact with questions about this data	Larry Mason
<035>	Contact Telephone Number: Number of the person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	lmason@smtel.com

<b>ANNUAL REPORTING FOR ALL CARRIERS</b>	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"/>	<input type="checkbox"/>
<200>	Outage Reporting (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300>	Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310>	Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330>	Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	<input type="text" value="0.09"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440>	Fixed	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450>	Mobile	<input type="text" value="0.0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <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>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attached descriptive document)</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710>	Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<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"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1000>	Voice Services Rate Comparability	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1100>	Terrestrial Backhaul (Y/N)?	<input checked="" type="radio"/> <input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>
<1110>		<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

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

<2000>		<i>(check to indicate certification)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<2005>		<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet</b>				
<3000>		<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>		<i>(complete attached worksheet)</i>	<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	482254
<015> Study Area Name	SOUTHERN MONTANA TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Larry Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com
<110> Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 <111> year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	(yes / no) <input type="radio"/> <input 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.

482254MT112.pdf

<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

Please check these boxes below to confirm that the attached document(s), 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.










<b>(900) Tribal Lands Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
--	--

<010>	Study Area Code	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), 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)

**(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	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

<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)

<b>(1200) Terms and Condition for Lifeline Customers</b> 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	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans	482254MT1210.pdf          Name of Attached Document
---	---

<1220> Link to Public Website	HTTP  <hr style="border: 0.5px solid black;"/>
-------------------------------	--

"Please check these boxes below to confirm that the attached document(s), 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, | <input checked="" type="checkbox"/> |
|--|-------------------------------------|
- |   |                                     |
|---|-------------------------------------|
| <1222> Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
|---|-------------------------------------|
- |   |                                     |
|---|-------------------------------------|
| <1223> Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |
|---|-------------------------------------|

<b>(2000) Price Cap Carrier Additional Documentation</b> 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	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.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)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

- <2016> Certification Support Used to Build Broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

<b>(3000) Rate Of Return Carrier Additional Documentation</b> 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	482254
<015>	Study Area Name	SOUTHERN MONTANA TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	LARRY MASON
<035>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

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.

(3010) **Progress Report on 5 Year Plan**  
 Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(Yes/No)

(3014) If yes, does your company file the RUS annual report

(Yes/No)

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

482254MT3017.pdf

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited?

(Yes/No)

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

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

<b>&lt;010&gt;</b>	Study Area Code	482254
<b>&lt;015&gt;</b>	Study Area Name	SOUTHERN MONTANA TEL
<b>&lt;020&gt;</b>	Program Year	2015
<b>&lt;030&gt;</b>	Contact Name - Person USAC should contact regarding this data	Larry Mason
<b>&lt;035&gt;</b>	Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<b>&lt;039&gt;</b>	Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

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

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
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: SOUTHERN MONTANA TEL	
Signature of Authorized Officer: CERTIFIED ONLINE	Date
Printed name of Authorized Officer: Larry Mason	
Title or position of Authorized Officer: General Manager	
Telephone number of Authorized Officer: 4066893333 ext.	
Study Area Code of Reporting Carrier: 482254	Filing Due Date for this form: 06/30/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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

<010> Study Area Code	482254
<015> Study Area Name	SOUTHERN MONTANA TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Larry Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	4066893333 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	lmason@smtel.com

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



Consumer Protection

**Southern Montana Telephone Company** complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. 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.

Service Quality Standards

**Southern Montana Telephone Company** complies with the service standards of the State of Montana as promulgated in the Montana Administrative Rule 38.5 subchapter 33, Telecommunications Service Standards.

Back-up Power

**Southern Montana Telephone Company** has the following back-up power capabilities:

Switches – stand alone and/or host

Southern Montana Telephone Company's Host Switch has a 30 KW propane powered generator with a 500 gallon fuel supply tank. Approximate run time is 48 hours with no maintenance.

Central Office batteries are rated at 1,120 AH capable of 55 amp draw for approximately 8 hours.

Remote Central Offices

Most remote central offices are equipped with 12.5 KW propane powered generators with a 500 gallon fuel supply tank. Approximate run time is 48 hours with no maintenance.

Southern Montana Telephone Company has two 15 KW trailer mounted mobile gasoline powered generators for remote central offices without stationary backup power, each with fuel capacity to run approximately 8 hours. These are stored at the host central office site.

Remote central office batteries are rated at 456 AH capable of 20 amp draw for approximately 8 hours.

Subscriber carrier (DLC, AFC, OPM, etc.)

Carrier huts are equipped with external connections for use with mobile generators. Hut batteries are rated at 96 AH capable of 23.4 amp draw for approximately 8 hours.

Southern Montana Telephone Company uses both Purcell and Calix brand DLC batteries. Purcell brand DLC cabinet batteries are rated at 180 AH capable of 22 amp draw for 8 hours. Calix brand DLC cabinet batteries are rated at 38 AH capable of 4.5 amp draw for approximately 8 hours.

Network Interface Devices (NIDs)

**Southern Montana Telephone Company** has 452 customers with metallic (copper) connections to the Central Office and their NIDs are powered from the Central Office.

**Southern Montana Telephone Company** has 456 customers with non-metallic (fiber optic) connections to the Central Office. These customers' NIDs are battery powered in case of emergency. The batteries are rated to last 10 hours with no use and 6 hours with constant use.

Ability to reroute traffic around damaged facilities

**Southern Montana Telephone Company** has in place redundant ERPS and SONET rings to reroute traffic in the event of a transport fiber cut or equipment failure.

Capability to manage traffic spikes resulting from emergency situations

**Southern Montana Telephone Company** has 908 customers, switching capacity of 10,000 simultaneous calls, and transport capacity for 64 simultaneous calls. **Southern Montana Telephone Co.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

As evidenced by the data provided in line 702 of this Form 481, **Southern Montana Telephone Company's** voice service pricing is, in fact, **less than** the national average urban rate (\$46.96) for voice service as announced by the Wireline Competition Bureau on March 20, 2014 (DA 14-384) and therefore, by definition, is no more than 2 standard deviations above that published rate.

## PREAMBLE

This 5 year improvement plan is in compliance with § 54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161). This document also incorporates further clarifications identified in subsequent Reconsideration Orders, as applicable, in effect prior to the filing of the Annual Report.

Southern Montana Telephone Company ("Southern Montana") has carefully developed its improvement plan, concentrating on the delivery and continuation of a robust network which provides, at a minimum, the federally required voice and broadband connectivity as stipulated by regulatory rule. In certain situations (and as noted herein), the plan may also incorporate specific state requirements.

Southern Montana advises that this improvement plan has been carefully crafted, matching measured network deployment, improvement and quality service levels with known financial implications of the Transformation Order on the company's support cash-flows. The uncertainty of such cash flows being received in the outer-years as a result of current and potential regulatory action on rural rate-of-return carriers has resulted in the Company taking a balanced yet realistic approach.

The environment in which the Company operates remains dynamic, not static. As a result, Southern Montana reserves the opportunity to modify its plan in response to further regulatory decisions as they are adopted, and their implication upon the Company's financial viability in providing the required services and service level quality becomes known.

Southern Montana will reevaluate this plan on an annual basis. Action, however, may also be taken abruptly on the presented plan for both current and outer years in the event of evolving regulatory conditions and/or changes in technology (vendor)-driven support. All adjustments to the improvement plan in this document will be reflected and explained in subsequent annual reports.

## OVERVIEW

Southern Montana Telephone Company, as an Eligible Telecommunications Carrier (ETC) provides Universal Service supported services to approximately 900 customers in five exchanges covering approximately 2,100 square miles.

Consistent with Commission requirements, this Service Quality Improvement Plan addresses only Southern Montana's regulated eligible telecommunications carrier operations.<sup>1</sup> A detailed description of Southern Montana's plans for the provision of the supported services in the five-year period starting with January 2015 is provided herein.

Per the Universal Service Administrative Company (USAC), during the calendar year 2013, Southern Montana received a total of \$2,982,513 (as of 4/30/14) in USF support funds. The breakdown of the funding for the year was:

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<sup>1</sup>Per 47 C.F.R. § 54.314, federal USF support, "will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." If investments or expenses are for service areas larger than the supported service areas, then allocations of the expenditures are required.

- \$1,843,191 High Cost Loop Support,
- \$(153,900) Local Switching Support
- \$ 213,072 Connect America Fund-Intercarrier Compensation Support
- \$1,018,938 Interstate Common Line Support
- \$ 61,212 Safety Net Additive

All funds were used in 2013 to both: 1) maintain, upgrade, and improve the Company's network and, 2) cover its operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband throughout its service area.

### **IMPROVEMENT PLANS BY YEAR (2015-2019 inclusive)**

Summary descriptions of network improvements planned for the next five years in accordance with Part 54.202(a)(1)(ii) and Part 54.313(a)(1) by year and by exchange are presented below. Detailed expenditures are summarized in the attached Excel worksheet (Attachment 1). Where available, area and subscribers impacted by the improvements are identified in the worksheet. Costs are broken out by voice and broadband service.

- Network improvement expenditures identify the cost to provide those services supported by the universal service funding mechanisms. When a project involves expenditures for both regulated and non-regulated services, the non-regulated investment costs have been removed. The Company estimates non-regulated costs using the appropriate allocation rules. Details of those costs are retained by the Company and available for inspection.
- Costs are reported only for those service areas in which the Company is authorized to receive USF funding.

Due to the current uncertainty of the amounts of support funds the company may receive in future years, Southern Montana advises the Commission that the deployment of specific network improvement projects may be modified, and the meeting of projected service goals muted, to accommodate the actual amount of support that will be received.

### **BASELINE**

Southern Montana is an independent family-owned local exchange carrier providing telecommunications services in parts of Beaverhead, Silver Bow, and Deerlodge Counties in Southwest Montana. With five exchanges, it serves a current population of approximately 1,400, over a geographic area of approximately 2,100 square miles. In general, the service territory is a mixture of valley floors and rugged canyons surrounded by mountains. Located an hour's drive from Butte, the service territory is widely inter-connected by secondary state highways and rural county roads. Interstate highway 15 runs along portions of the extreme eastern edge of the serving area. The serving area population primarily consists of medium to large cattle ranches. Ranches are supported by the small communities of Grant, Jackson, Wisdom, Wise River, and Divide. Each of these communities has a few small service-type businesses and none have a population of more than 100. Anchor institutions consist of six K-8<sup>th</sup> grade schools, two Forest Service Ranger Stations, Bannack State Park, and the Big Hole National Battlefield National Park. All anchor institutions currently have a minimum of 4 MB upload and 1MB download broadband speeds available with the exception of one grade school which is scheduled for a fiber upgrade in 2014. High school students are bused outside the company's service territory to Dillon, approximately 70 miles south of Wisdom, where health care services are also available.

With an elevation averaging over 5,500 feet, the serving territory is subject to significant fluctuation in temperature and weather conditions. The community of Wisdom frequently records the nationwide low temperature, with temperatures often not rising above 0 degrees for weeks during the winter. Network facilities are built to withstand extreme winter conditions as warranted, often resulting in costs above the national industry average.

The demographics of the service area reflect its rural roots. There are no Native American reservations within the area. Religious affiliations are representative of a traditional American rural community. The minority population is less than 5% of the overall community, mostly Hispanic and primarily seasonal.

There are approximately 1,260 homes passed within the service territory. According to the U.S. Census Bureau the median household income for Beaverhead County, which approximates the company's serving area, is about \$41,200, per capita income is approximately \$22,200, and the poverty level is around 14%. As a result, there is a high proportion of below average income subscribers requiring support services. Communications is an important conduit to access such services. Despite a relatively low per-capita income, Southern Montana has only four Lifeline subscribers.

Southern Montana's network consists of approximately 443 miles of fiber serving 527 homes past and 637 miles of copper plant serving the remaining 730 homes past. All subscribers are served via fiber-fed concentrators hosted on a Genband C15 softswitch located in its Wisdom headquarters that was placed in service in 2010. There is a single toll route to the outside world fed by a fiber ring; the same fiber ring also transports internet-bound traffic to the company's middle-mile provider.

As of year-end 2013 Southern Montana served 908 voice subscribers over 2,100 square miles – a subscriber density of about 0.4 subscribers per square mile. The company also served 486 broadband customers as of 12/31/2013.

Southern Montana lost 8 voice subscribers in 2013. The Company attributes the loss in voice customers to seasonal fluctuations coupled with local rate increases. Due to subscribers spending the winter months elsewhere ("snowbird" subscribers), seasonal fluctuations in subscriber counts are common; subscriber counts typically vary by 80-90 subscribers from summer to winter. In the past, many snowbird subscribers continued to keep their voice service active while gone for the winter. However, because the Company has had to increase local rates, snowbird subscribers have become less inclined to keep their service during the winter months when they move to a warmer climate. Exacerbating the lost revenue due to lost snowbird lines is the fact that, as the carrier of last resort, Southern Montana must build its network to serve all of our customers, including the snowbirds. With fewer lines in the winter months, the Company bumps up against the \$250 per-line, per-month universal service support cap purely because of the demographics in our service area.

The Company gained 26 broadband subscribers in 2013. The increase in broadband subscribers is attributed to Southern Montana's ability to offer higher broadband speeds as a result of its continuing fiber build-out. Competitors within the serving territory consist of wireless coverage in the community of Jackson, wireless service along the I-15 corridor on the extreme eastern edge of the territory, and the traditional satellite providers. No terrestrial competitors offer voice or data service throughout the service area.

In 2007 Southern Montana was granted a RUS loan of \$11,235,000. That loan was supplemented by a \$5,544,000 RUS loan in 2010. Loan proceeds have been used to upgrade the Company's network to fiber-to-the-node and, for about 50% of our subscribers to date, fiber-to-the-home (FtH). As of 12/31/2013 approximately \$2,153,000 of these loans are unencumbered.

In November 2013 Southern Montana entered into construction and electronics contracts totaling \$2,390,000 for its Grasshopper/Timber Butte Fiber project. With only \$2,153,000 unencumbered in RUS loan funds, the company will fund nearly \$240,000 of the project using operating cash flows. The project involves placement of approximately 64 route miles of fiber to 295 subscribers, including one elementary school and Bannack State Park, currently served over copper. When complete, these 295 subscribers will have a minimum of 5MB upload and 1MB download broadband speeds available. The area currently has 102 broadband subscribers. Southern Montana expects an increase in broadband services as a result of this project based on past experience with copper customers upgraded to FttH. As a result of a short construction season necessitated by extreme weather conditions, this project is scheduled for completion in the fourth quarter 2014 but may not be finalized until early 2015. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide monthly Progress Reports to Company Management to ensure deadlines are met.

Southern Montana estimates that as of the end of 2013 approximately 96% of all homes passed have broadband download speeds of 768kbps or better available and 84% have a minimum 4Mbps download and 1Mbps upload speeds available. A number of subscribers do not have commercial power available, precluding FttH service. The Company is exploring economically feasible infrastructure options to provide broadband to those subscribers including FttH powered over existing copper plant.

As described below, assuming USF support becomes more predictable and continuing to upgrade remains economically viable, the Company plans to continue upgrading using operating cash flows (which includes support funding) until all subscribers are served with FttH.

## **SUMMARY DISCUSSION OF PLANS BY YEAR**

### **2015**

Squaw Creek Hoop #1 and Hoop #2 Rural Fiber Project: In 2015, assuming support becomes more predictable and continuing to upgrade remains economically viable, Southern Montana intends to use operating cash flow to deploy FttH in two rural hoops of its Wisdom exchange. Detailed information of the component equipment is provided as Attachment 2.

The Squaw Creek #1 and #2 project cost is estimated at \$1,089,000 not included an estimated \$54,100 in engineering costs which will be completed in 2014. The project involves placement of approximately 20 route miles of fiber to 26 subscribers currently served over copper. When complete, these 26 subscribers will have a minimum of 5MB upload and 1MB download broadband speeds available. The area currently has 11 broadband subscribers. Southern Montana expects an increase in broadband services as a result of this project based on past experience with copper customers upgraded to FttH. Although scheduled for completion in 2015, due to a short construction season necessitated by extreme weather conditions as well as uncertainty and unpredictability of cash flow, this project may not be finalized until early 2016. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide monthly Progress Reports to Company Management to ensure deadlines are met.

Switching (Genband C15 Software Upgrade): Although recognizing that support for switching investment is declining as a result of the Transformation Order, the Company, as the carrier of last resort, has an obligation to provide traditional services to its subscribers. Therefore, in order to maintain an appropriate technology platform and improve efficiencies in its voice network, the Company expects to upgrade certain software in its C15 Host switch in 2015. This upgrade is expected to cost \$75,000 with no additional support or return on the Company's investment.

Vehicles: In 2015 the Company plans to replace two service trucks, one purchased in 2010 and one in 2011. Because the Company's service area is so large, by necessity significant miles (an average of 25,000 annually) are put on service trucks in order to serve subscribers. To ensure the safety of employees as well as ensuring serviceable vehicles, the Company replaces most fleet vehicles every four-five years. The two vehicles to be replaced in 2015 are expected to cost \$43,000 each for a total of \$86,000

## 2016

Squaw Creek CO Hoop and Hoops #3 and #4 Rural Fiber Project: In 2016, assuming support becomes more predictable and continuing to upgrade remains economically viable, Southern Montana intends to use operating cash flow to deploy FttH in three rural hoops of its Wisdom exchange. Detailed information of the component equipment is provided as Attachment 3.

The Squaw Creek CO, #3, and #4 project cost is estimated at \$1,361,000 not included an estimated \$64,800 in engineering costs which will be completed in 2014. The project involves placement of approximately 24 route miles of fiber to 33 subscribers currently served over copper. When complete, these 33 subscribers will have a minimum of 5MB upload and 1MB download broadband speeds available. The area currently has 9 broadband subscribers. Southern Montana expects an increase in broadband services as a result of this project based on past experience with copper customers upgraded to FttH. Although scheduled for completion in 2016, due to a short construction season necessitated by extreme weather conditions as well as uncertainty and unpredictability of cash flow, this project may not be finalized until early 2017. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide monthly Progress Reports to Company Management to ensure deadlines are met.

Switching (Genband C15 Software Upgrade): Although recognizing that support for switching investment is declining as a result of the Transformation Order, the Company, as the carrier of last resort, has an obligation to provide traditional services to its subscribers. Therefore, in order to maintain an appropriate technology platform and improve efficiencies in its voice network, the Company expects to upgrade certain software in its C15 Host switch in 2016. This upgrade is expected to cost \$25,000 with no additional support or return on the Company's investment.

General Expenditures: In 2016 the Company expects to spend \$8,400 in miscellaneous additions.

## 2017

Wisdom CO Hoop and Hoops #1 and #7 Rural Fiber Project: In 2017, assuming support becomes more predictable and continuing to upgrade remains economically viable, Southern Montana intends to use operating cash flow to deploy FttH in three rural hoops of its Wisdom exchange. Detailed information of the component equipment is provided as Attachment 4.

The Wisdom CO Hoop and Hoops #1 and #7 project cost is estimated at \$1,003,000 not included an estimated \$46,800 in engineering costs which will be completed in 2014. The project involves placement of approximately 17 route miles of fiber to 30 subscribers currently served over copper. When complete, these 30 subscribers will have a minimum of 5MB upload and 1MB download broadband speeds available. The area currently has 11 broadband subscribers. Southern Montana expects an increase in broadband services as a result of this project based on past experience with copper customers upgraded to FttH. Although scheduled for completion in 2017, due to a short construction season necessitated by

extreme weather conditions as well as uncertainty and unpredictability of cash flow, this project may not be finalized until early 2018. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide monthly Progress Reports to Company Management to ensure deadlines are met.

Transport Network upgrade: In 2017 the Company expects to upgrade its transport network in accordance with the manufactures' recommended upgrade schedule at an estimate cost of \$150,000.

Vehicles: In 2017 the Company plans to replace one service truck purchased in 2012. Because the Company's service area is so large, by necessity significant miles (an average 25,000 annually) are put on service trucks in order to serve subscribers. To ensure the safety of employees as well as ensuring serviceable vehicles, the Company replaces most fleet vehicles every four-five years. The vehicle to be replaced in 2017 is expected to cost \$47,000.

General Expenditures: In 2017 the Company expects to spend \$8,100 in miscellaneous additions.

## 2018

Wisdom Hoops #2 and #6 Rural Fiber Project: In 2018, assuming support becomes more predictable and continuing to upgrade remains economically viable, Southern Montana intends to use operating cash flow to deploy FttH in two rural hoops of its Wisdom exchange. Detailed information of the component equipment is provided as Attachment 5.

The Wisdom Hoops #2 and #6 project cost is estimated at \$1,033,000 not included an estimated \$40,200 in engineering costs which will be completed in 2014. The project involves placement of approximately 15 route miles of fiber to 33 subscribers currently served over copper. When complete, these 33 subscribers will have a minimum of 5MB upload and 1MB download broadband speeds available. The area currently has 10 broadband subscribers. Southern Montana expects an increase in broadband services as a result of this project based on past experience with copper customers upgraded to FttH. Although scheduled for completion in 2018, due to a short construction season necessitated by extreme weather conditions as well as uncertainty and unpredictability of cash flow, this project may not be finalized until early 2019. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide monthly Progress Reports to Company Management to ensure deadlines are met.

Switching (Genband C15 Replacement): Although recognizing that support for switching investment is declining as a result of the Transformation Order, the Company, as the carrier of last resort, has an obligation to provide traditional services to its subscribers. Therefore, in order to maintain an appropriate technology platform and improve efficiencies in its voice network, the Company expects to replace its C15 Host switch in 2018. This upgrade is expected to cost \$400,000 with no additional support or return on the Company's investment.

Power and Common Equipment: In 2018 the Company expects to replace the batteries in a number of cabinets in accordance with the manufactures' recommended replacement schedule at an estimate cost of \$19,500.

Network Monitoring Server: In 2018 the Company expects to replace the server used to monitor network performance in accordance with the manufactures' recommended replacement schedule at an estimate cost of \$9,000.

General Expenditures: In 2018 the Company expects to spend \$18,000 in miscellaneous additions.

## 2019

Wisdom Hoop #8 Rural al Fiber Project: In 2019, assuming support becomes more predictable and continuing to upgrade remains economically viable, Southern Montana intends to use operating cash flow to deploy FttH in one rural hoop of its Wisdom exchange. Detailed information of the component equipment is provided as Attachment 6.

The Wisdom Hoop #8 project cost is estimated at \$813,000 not included an estimated \$39,700 in engineering costs which will be completed in 2014. The project involves placement of approximately 15 route miles of fiber to 28 subscribers currently served over copper. When complete, these 28 subscribers will have a minimum of 5MB upload and 1MB download broadband speeds available. The area currently has 8 broadband subscribers. Southern Montana expects an increase in broadband services as a result of this project based on past experience with copper customers upgraded to FttH. Although scheduled for completion in 2019, due to a short construction season necessitated by extreme weather conditions as well as uncertainty and unpredictability of cash flow, this project may not be finalized until early 2020. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide monthly Progress Reports to Company Management to ensure deadlines are met.

Switching (Genband C15 Software Upgrade): Although recognizing that support for switching investment is declining as a result of the Transformation Order, the Company, as the carrier of last resort, has an obligation to provide traditional services to its subscribers. Therefore, in order to maintain an appropriate technology platform and improve efficiencies in its voice network, the Company expects to upgrade certain software in its C15 Host switch in 2019. This upgrade is expected to cost \$50,000 with no additional support or return on the Company's investment.

Power and Common Equipment: In 2019 the Company expects to replace the batteries and rectifiers in a number of cabinets in accordance with the manufactures' recommended replacement schedule at an estimate cost of \$15,500.

Jackson Exchange Engineering: In 2019, assuming support becomes more predictable and continuing to upgrade remains economically viable, Southern Montana intends to use operating cash flow to engineer the seven hoops in its Jackson exchange. This project will allow continued FttH deployment in 2020 and beyond at an estimated cost of \$250,000.

Vehicles: In 2019 the Company plans to replace two service trucks purchased in 2014. Because the Company's service area is so large, by necessity significant miles (an average 25,000 annually) are put on service trucks in order to serve subscribers. To ensure the safety of employees as well as ensuring serviceable vehicles, the Company replaces most fleet vehicles every four-five years. The two vehicles to be replaced in 2019 are expected to cost \$47,500 each for a total of \$95,000.

General Expenditures: In 2019 the Company expects to spend \$2,400 in miscellaneous additions.

Southern Montana Telephone Company  
 Capital Expenditure Projects Summary  
 2014 Annual Report Submission  
 Attachment 1

Wire Center and CLLI	Project Description	Targeted Completion	Cost Estimate	Regulated % Allocation	Amount in USF Support Area	% Voice	% Broadband	Area Impacted	Subscribers Impacted	Actual Completion	Notes	
Wisdom-WSDMMTXCDSO	Squaw Creek Hoop #1 and Hoop #2: 19.8 Route Miles, FttH	Q-4 2015	\$ 1,089,000	100%	\$ 1,089,000	50%	50%	29.21 sq miles	26	n/a		
	C15 Host Switch Upgrades	Q-4 2015	\$ 75,000	100%	\$ 75,000	100%	0%		908	n/a		
	Replace 2 Vehicles	Q-4 2015	\$ 86,000	100%	\$ 86,000	50%	50%		908	n/a		
		<b>Q-4 2015 Total</b>	<b>\$ 1,250,000</b>									
	Squaw Creek CO Hoop and Hoop #3 and #4: 23.7 Route Miles, FttH	Q-4 2016	\$ 1,361,000	100%	\$ 1,361,000	50%	50%	62.7 sq miles	33	n/a		
	C15 Host Switch Upgrades	Q-4 2016	\$ 25,000	100%	\$ 25,000	100%	0%		908	n/a		
	General Expenditures	Q-4 2016	\$ 8,400	100%	\$ 8,400	50%	50%		908	n/a		
		<b>Q-4 2016 Total</b>	<b>\$ 1,394,400</b>									
	Wisdom CO Hoop and Hoops #1 and #7: 17.1 Route Miles, FttH	Q-4 2017	\$ 1,003,000	100%	\$ 1,003,000	50%	50%	82.71 sq miles	30	n/a		
	Transport Network upgrade	Q-4 2017	\$ 150,000	100%	\$ 150,000	50%	50%		908	n/a		
	General Expenditures	Q-4 2017	\$ 8,100	100%	\$ 8,100	50%	50%		908	n/a		
	Replace 1 Vehicles	Q-4 2017	\$ 47,000	100%	\$ 47,000	50%	50%		908	n/a		
	<b>Q-4 2017 Total</b>	<b>\$ 1,208,100</b>										
Wisdom Hoops #2 and #6: 14.7 Route Miles, FttH	Replace/Upgrade C15 Host Switch	Q-4 2018	\$ 1,033,000	100%	\$ 1,033,000	50%	50%	63.14 sq miles	33	n/a		
	Power Upgrade	Q-4 2018	\$ 400,000	100%	\$ 400,000	100%	0%		908	n/a		
	Replace Server	Q-4 2018	\$ 19,500	100%	\$ 19,500	50%	50%		908	n/a		
	Replace Server	Q-4 2018	\$ 9,000	100%	\$ 9,000	50%	50%		908	n/a		
	General Expenditures	Q-4 2018	\$ 18,000	100%	\$ 18,000	50%	50%		908	n/a		
		<b>Q-4 2018 Total</b>	<b>\$ 1,479,500</b>									
Wisdom Hoop #8: 14.5 Route Miles, FttH	C15 Host Switch Upgrades	Q-4 2019	\$ 813,000	100%	\$ 813,000	50%	50%	33.78 sq miles	28	n/a		
	Power Upgrade	Q-4 2019	\$ 50,000	100%	\$ 50,000	100%	0%		908	n/a		
	Power Upgrade	Q-4 2019	\$ 15,500	100%	\$ 15,500	50%	50%		908	n/a		
	Jackson Exchange Rural Engineering	Q-4 2019	\$ 250,000	100%	\$ 250,000	50%	50%	143.2 sq miles	113	n/a		
	Replace 2 Vehicles	Q-4 2019	\$ 95,000	100%	\$ 95,000	50%	50%		908	n/a		
	General Expenditures	Q-4 2019	\$ 2,400	100%	\$ 2,400	50%	50%		908	n/a		
		<b>Q-4 2019 Total</b>	<b>\$ 1,225,900</b>									
	<b>Grand Total</b>	<b>\$ 6,557,900</b>										

**Southern Montana Telephone  
Wisdom Exchange SQCR-1  
FTTP Preliminary Design Estimate  
Attachment 2 Page 1**

Created  
3/11/2013

Modified  
3/11/2013

**Electronics**

1 Splitter Cabinets	\$ 11,000.00	ea.	\$ 11,000.00
10 Locations of CP Electronics	\$ 450.00	ea.	\$ 4,500.00

Electronics Installation and miscellaneous installation materials @ 15% \$ 2,325.00

Total, Electronics \$ 17,825.00

**OSP/Construction**

In Place costs			
37325 ft of plant	\$ 8.00	per ft	\$ 298,600.00

OSP Cost per mile \$ 42,100.00 Total, OSP/Construction \$ 298,600.00

**Engineering**

Estimate \$ 79,200.00

**Owner Supplied Costs**

Estimate \$ 22,200.00

**Cut-over**

10 # of Locations	\$ 318.50	ea.	\$ 3,200.00
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7.1 Route Miles **Total, Exchange Estimate** \$ 421,025.00

Cost per Location \$ 42,200.00

Total Cost per Mile \$ 59,300.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
Wisdom Exchange SQCR-2  
FTTP Preliminary Design Estimate  
Attachment 2 Page 2**

Created 3/11/2013  
Modified 3/11/2013

**Electronics**

16 Locations of CP Electronics \$ 450.00 ea. \$ 7,200.00

Electronics Installation and miscellaneous installation materials @ 15% \$ 1,080.00

Total, Electronics **\$ 8,280.00**

**OSP/Construction**

In Place costs  
66824 ft of plant \$ 8.00 per ft \$ 534,600.00

OSP Cost per mile \$ 42,100.00 Total, OSP/Construction \$ 534,600.00

**Engineering**

Estimate **\$ 135,800.00**

**Owner Supplied Costs**

Estimate **\$ 38,100.00**

**Cut-over**

16 # of Locations \$ 318.50 ea. **\$ 5,100.00**

12.7 Route Miles **Total, Exchange Estimate \$ 721,880.00**

Cost per Location \$ 45,200.00

Total Cost per Mile \$ 56,900.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
Wisdom Exchange SQCR-CO  
FTTP Preliminary Design Estimate  
Attachment 3 Page 1**

Created 3/11/2013  
Modified 3/11/2013

**Electronics**

1 Hut Electronics	\$ 30,000.00	ea.	\$ 30,000.00
1 Gpon cards	\$ 3,300.00	ea.	\$ 3,300.00
4 Optics	\$ 2,500.00	ea.	\$ 10,000.00
8 Locations of CP Electronics	\$ 450.00	ea.	\$ 3,600.00

Electronics Installation and miscellaneous installation materials @ 15% \$ 7,035.00

Total, Electronics \$ 53,935.00

**OSP/Construction**

In Place costs  
39915 ft of plant \$ 8.00 per ft \$ 319,400.00

OSP Cost per mile \$ 42,100.00 Total, OSP/Construction \$ 319,400.00

**Engineering**

Estimate \$ 93,400.00

**Owner Supplied Costs**

Estimate \$ 26,200.00

**Cut-over**

8 # of Locations \$ 318.50 ea. \$ 2,600.00

7.6 Route Miles **Total, Exchange Estimate** \$ 495,535.00

Cost per Location \$ 62,000.00

Total Cost per Mile \$ 65,300.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
Wisdom Exchange SQCR-3  
FTTP Preliminary Design Estimate  
Attachment 3 Page 2**

Created 3/11/2013  
Modified 3/11/2013

<b>Electronics</b>			
8 Locations of CP Electronics	\$	450.00 ea.	\$ 3,600.00
Electronics Installation and miscellaneous installation materials @ 15%			\$ 540.00
		<b>Total, Electronics</b>	<b>\$ 4,140.00</b>
<b>OSP/Construction</b>			
In Place costs			
27471 ft of plant	\$	8.00 per ft	\$ 219,800.00
OSP Cost per mile	\$	41,500.00	
		<b>Total, OSP/Construction</b>	<b>\$ 219,800.00</b>
<b>Engineering</b>			
Estimate			<b>\$ 56,000.00</b>
<b>Owner Supplied Costs</b>			
Estimate			<b>\$ 15,700.00</b>
<b>Cut-over</b>			
8 # of Locations	\$	318.50 ea.	<b>\$ 2,600.00</b>
5.3 Route Miles		<b>Total, Exchange Estimate</b>	<b>\$ 298,240.00</b>
		Cost per Location	\$ 37,300.00
		Total Cost per Mile	\$ 56,300.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
Wisdom Exchange SQCR-4  
FTTP Preliminary Design Estimate  
Attachment 3 Page 3**

Created                      Modified  
3/11/2013                      3/11/2013

**Electronics**

1 Splitter Cabinets	\$ 11,000.00	ea.	\$ 11,000.00
17 Locations of CP Electronics	\$ 450.00	ea.	\$ 7,700.00

Electronics Installation and miscellaneous installation materials @ 15%                      \$ 2,805.00

Total, Electronics                      **\$ 21,505.00**

**OSP/Construction**

In Place costs			
56542 ft of plant	\$ 8.00	per ft	\$ 452,400.00

OSP Cost per mile	\$ 41,900.00	Total, OSP/Construction	\$ 452,400.00
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**Engineering**

Estimate			<b>\$ 118,500.00</b>
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**Owner Supplied Costs**

Estimate			<b>\$ 33,200.00</b>
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**Cut-over**

17 # of Locations	\$ 318.50	ea.	<b>\$ 5,500.00</b>
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10.8 Route Miles		<b>Total, Exchange Estimate</b>	<b>\$ 631,105.00</b>
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Cost per Location \$ 37,200.00

Total Cost per Mile \$ 58,500.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
Wisdom Exchange WSDM-CO  
FTTP Preliminary Design Estimate  
Attachment 4 Page 1**

Created 3/11/2013  
Modified 3/11/2013

**Electronics**

1 Hut Electronics	\$ 30,000.00	ea.	\$ 30,000.00
1 Gpon cards	\$ 3,300.00	ea.	\$ 3,300.00
1 Optics	\$ 2,500.00	ea.	\$ 2,500.00
15 Locations of CP Electronics	\$ 450.00	ea.	\$ 6,800.00

Electronics Installation and miscellaneous installation materials @ 15% \$ 6,390.00

Total, Electronics \$ 48,990.00

**OSP/Construction**

In Place costs  
37824 ft of plant \$ 8.00 per ft \$ 302,600.00

OSP Cost per mile \$ 42,100.00 Total, OSP/Construction \$ 302,600.00

**Engineering**

Estimate \$ 87,900.00

**Owner Supplied Costs**

Estimate \$ 24,700.00

**Cut-over**

15 # of Locations \$ 318.50 ea. \$ 4,800.00

7.2 Route Miles **Total, Exchange Estimate** \$ 468,990.00

Cost per Location \$ 31,300.00

Total Cost per Mile \$ 65,200.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
 Wisdom Exchange WSDM-1  
 FTTP Preliminary Design Estimate  
 Attachment 4 Page 2**

Created 3/11/2013 Modified 3/11/2013

<b>Electronics</b>			
3 Locations of CP Electronics	\$ 450.00 ea.	\$ 1,400.00	
Electronics Installation and miscellaneous installation materials @ 15%		\$ 210.00	
	<b>Total, Electronics</b>	<b>\$ 1,610.00</b>	
<b>OSP/Construction</b>			
In Place costs			
9329 ft of plant	\$ 8.00 per ft	\$ 74,700.00	
OSP Cost per mile \$ 41,500.00	<b>Total, OSP/Construction</b>	<b>\$ 74,700.00</b>	
<b>Engineering</b>			
Estimate		<b>\$ 19,100.00</b>	
<b>Owner Supplied Costs</b>			
Estimate		<b>\$ 5,400.00</b>	
<b>Cut-over</b>			
3 # of Locations	\$ 318.50 ea.	<b>\$ 1,000.00</b>	
1.8 Route Miles	<b>Total, Exchange Estimate</b>	<b>\$ 101,810.00</b>	
	Cost per Location	\$ 34,000.00	
	Total Cost per Mile	\$ 56,600.00	

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
Wisdom Exchange WSDM-7  
FTTP Preliminary Design Estimate  
Attachment 4 Page 3**

Created 3/11/2013 Modified 3/11/2013

**Electronics**

1 Splitter Cabinets	\$ 11,000.00	ea.	\$ 11,000.00
12 Locations of CP Electronics	\$ 450.00	ea.	\$ 5,400.00

Electronics Installation and miscellaneous installation materials @ 15% \$ 2,460.00

Total, Electronics \$ 18,860.00

**OSP/Construction**

In Place costs			
42538 ft of plant	\$ 8.00	per ft	\$ 340,400.00

OSP Cost per mile \$ 42,100.00 Total, OSP/Construction \$ 340,400.00

**Engineering**

Estimate \$ 89,900.00

**Owner Supplied Costs**

Estimate \$ 25,200.00

**Cut-over**

12 # of Locations	\$ 318.50	ea.	<u>\$ 3,900.00</u>
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8.1 Route Miles **Total, Exchange Estimate** \$ 478,260.00

Cost per Location \$ 39,900.00

Total Cost per Mile \$ 59,100.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
Wisdom Exchange WSDM-2  
FTTP Preliminary Design Estimate  
Attachment 5 Page 1**

Created 3/11/2013  
Modified 3/11/2013

**Electronics**

1 Cabinet & Electronics	\$ 50,000.00	ea.	\$ 50,000.00
2 Gpon cards	\$ 3,300.00	ea.	\$ 6,600.00
8 Optics	\$ 2,500.00	ea.	\$ 20,000.00
22 Locations of CP Electronics	\$ 450.00	ea.	\$ 9,900.00

Electronics Installation and miscellaneous installation materials @ 15% \$ 12,975.00

Total, Electronics **\$ 99,475.00**

**OSP/Construction**

In Place costs  
52313 ft of plant \$ 8.00 per ft \$ 418,600.00

OSP Cost per mile \$ 41,900.00 Total, OSP/Construction \$ 418,600.00

**Engineering**

Estimate **\$ 129,600.00**

**Owner Supplied Costs**

Estimate **\$ 36,300.00**

**Cut-over**

22 # of Locations \$ 318.50 ea. **\$ 7,100.00**

10 Route Miles **Total, Exchange Estimate \$ 691,075.00**

Cost per Location \$ 31,500.00

Total Cost per Mile \$ 69,200.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
Wisdom Exchange WSDM-6  
FTTP Preliminary Design Estimate  
Attachment 5 Page 2**

Created 3/11/2013  
Modified 3/11/2013

**Electronics**

1 Cabinet & Electronics	\$ 50,000.00	ea.	\$ 50,000.00
2 Gpon cards	\$ 3,300.00	ea.	\$ 6,600.00
6 Optics	\$ 2,500.00	ea.	\$ 15,000.00
11 Locations of CP Electronics	\$ 450.00	ea.	\$ 5,000.00

Electronics Installation and miscellaneous installation materials @ 15% \$ 11,490.00

Total, Electronics \$ 88,090.00

**OSP/Construction**

In Place costs  
24730 ft of plant \$ 8.00 per ft \$ 197,900.00

OSP Cost per mile \$ 42,200.00 Total, OSP/Construction \$ 197,900.00

**Engineering**

Estimate \$ 71,500.00

**Owner Supplied Costs**

Estimate \$ 20,100.00

**Cut-over**

11 # of Locations \$ 318.50 ea. \$ 3,600.00

4.7 Route Miles **Total, Exchange Estimate \$ 381,190.00**

Cost per Location \$ 34,700.00

Total Cost per Mile \$ 81,200.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

**Southern Montana Telephone  
Wisdom Exchange WSDM-8  
FTTP Preliminary Design Estimate  
Attachment 6**

Created 3/11/2013 Modified 3/11/2013

**Electronics**

1 Splitter Cabinets	\$ 11,000.00	ea.	\$ 11,000.00
28 Locations of CP Electronics	\$ 450.00	ea.	\$ 12,600.00

Electronics Installation and miscellaneous installation materials @ 15% \$ 3,540.00

Total, Electronics **\$ 27,140.00**

**OSP/Construction**

In Place costs			
76443 ft of plant	\$ 8.00	per ft	\$ 611,600.00

OSP Cost per mile	\$ 42,200.00	Total, OSP/Construction	\$ 611,600.00
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**Engineering**

Estimate		<b>\$ 159,700.00</b>
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**Owner Supplied Costs**

Estimate		<b>\$ 44,800.00</b>
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**Cut-over**

28 # of Locations	\$ 318.50	ea.	<b>\$ 9,000.00</b>
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14.5 Route Miles	Total, Exchange Estimate	<b>\$ 852,240.00</b>
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Cost per Location \$ 30,500.00

Total Cost per Mile \$ 58,800.00

- 1.) Engineering costs include Design, staking, contracts, construction oversight, acceptance and close-out. Engineering also includes the fieldwork and application process for Federal, State, and County Lands, State Highway, and Railroad permits.
- 2.) Cost to acquire Private Right -of-way and R/W associated fees are not included in this estimate.
- 3.) Costs associated with a building addition, remodels or building removals are not included in this estimate.
- 4.) Cut-over costs include the costs of installation of the UPS, labor and material to cut the phone service to the new NID and labor and material to install a CAT5 line for data, but does not include the pre-installation survey.
- 5.) Labor costs for OSP/Construction includes all materials to complete an OSP job except the cable. This includes peds, vaults, splicing, etc.
- 6.) Estimate assumes subscriber quantities and cable footage increasing by 20%.
- 7.) These costs are based on loosely designed layouts. The actual length of cable per area and the actual number of subscribers WILL vary and WILL affect the total cost of the estimate

# LIFELINE ASSISTANCE FORM


 Initial Lifeline Enrollment

 Re-Certification of Lifeline Enrollment

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. All SMTC subscribers, including Lifeline subscribers, have unlimited local calling privileges at no additional charge. A Lifeline subscriber, as with any SMTC subscriber, is free to choose their own long distance through carriers that serve SMTC locations.

The information you provide on this form is strictly confidential and will only be used to assess your eligibility for Lifeline Assistance. Any documentation received will not be kept, shared or stored by Southern Montana Telephone Company.

## PERSONAL INFORMATION

First Name: \_\_\_\_\_ Middle Initial: \_\_\_\_\_ Last Name: \_\_\_\_\_

Birth Date: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Last 4 Digits of Social Security Number: \_\_\_\_\_

Residential Address:

Physical Address (no PO Boxes, must be your 9-1-1 address): \_\_\_\_\_

Billing Address (PO Box allowed): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

This address is:

Permanent  Temporary  Multi-household

Do you share this address with any other person over the age of 18?  Yes  No (If yes, please complete the Household Worksheet on Page 3)

## ELIGIBILITY

ARE YOU CURRENTLY PARTICIPATING IN ANY OF THE FOLLOWING PROGRAMS? (Check all that apply)

- Food Stamps (SNAP)  Federal Housing Assistance (Section 8)  Temporary Assistance for Needy Families  
 Supplemental Security Income (SSI)  National School Lunch (Free Program Only)  Medicaid  
 Low Income Home Energy Assistance Program

IS YOUR INCOME AT OR BELOW 135% OF THE FEDERAL POVERTY GUIDELINES  Yes  No

If yes, how many people are in your household? \_\_\_\_\_

Qualifying income per person:

(1) \$15,080 (2) \$20,426 (3) \$25,772 (4) \$31,118 (5) \$36,464 (Add \$5,346 for each additional person.)

IS ANYONE ELSE IN YOUR HOUSEHOLD CURRENTLY RECEIVING ANY LOW-INCOME ASSISTANCE FROM ANY OTHER WIRELINE OR WIRELESS TELEPHONE PROVIDER?  Yes  No

## CERTIFICATIONS

- I understand that Lifeline is a federal benefit and that willfully making false statement to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- I understand only one Lifeline service is available per household and understand that a household is not permitted to receive Lifeline benefits from multiple providers.
- I understand that a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses.
- I understand that violation of the one-per-household limitation constitutes a violation of the Federal Communication Commission's rules and will result in my de-enrollment from the program.
- I certify that no other individual in my household is currently receiving Lifeline-supported service and understand that violation of this requirement will result in de-enrollment from the program and could result in criminal prosecution.
- I understand that Lifeline is a non-transferable benefit and I may not transfer my benefit to any other person.
- I agree to notify my telecommunications provider within 30 days if I no longer meet the income-based or program based criteria for receiving Lifeline support or if I find that I am receiving more than one Lifeline benefit or another member of my household is receiving a Lifeline benefit. I may be subject to penalties if I fail to do so.
- I agree to notify my telecommunications provider within 30 days if I move to a new address.
- I agree to provide documentation of my eligibility when required to do so and understand that failure to do so may result in de-enrollment.
- I understand that I may be required to re-certify my eligibility for Lifeline at any time and failure to re-certify my continued eligibility will result in de-enrollment and termination of Lifeline benefits.
- By participating in this government program, I agree to allow my personal information to be added to the national database. I understand that failure to comply will deny me the Lifeline benefit.
- I have read the information on this certification form and understand that I must meet the qualifications listed on this form to receive assistance from the program.
- I certify under penalty of perjury that I meet the eligibility criteria and the information that I populated in the Eligibility section of this form is correct.
- I understand completion of this certification form does not constitute immediate acceptance into the Lifeline program.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Submit your completed form using one of the following methods. Lifeline subscribers will receive a re-certification form annually and must return that form within 30 days to ensure the continuation of Lifeline assistance benefits.**

*In-person or U.S. Postal Service:*

*Southern Montana Telephone Company*

*P.O. box 205*

*Wisdom, MT 59761*

*Fax: 406-689-3959*

*Email: [SMTC@smtel.com](mailto:SMTC@smtel.com)*

**SOUTHERN MONTANA TELEPHONE COMPANY USE ONLY**

Date Form and Document Received: \_\_\_\_\_ Customer Acct No.: \_\_\_\_\_

Specific Documentation Provided by Customer Supporting Eligibility: \_\_\_\_\_

**HOUSEHOLD WORKSHEET**

If you share an address with another person who may have, or be eligible for Lifeline services, you must complete this Worksheet. This other person may not be a part of your household. Please answer the questions below to determine whether there is more than one household residing at your address.

1. Does your spouse or domestic partner (that is, someone you are married to or in a relationship with) already receive a Lifeline-discounted phone? (check no if you do not have a spouse or partner)  YES  NO
  - If you checked YES, you may not sign up for Lifeline because someone in your household already receives Lifeline. Only ONE Lifeline discount is allowed per household.
  - If you checked NO, please answer question #2.
2. Other than a spouse or partner, do other adults (people over the age of 18 or emancipated minors) live with you at your address?
 

A. A parent	<input type="checkbox"/> YES <input type="checkbox"/> NO
B. An adult son or daughter	<input type="checkbox"/> YES <input type="checkbox"/> NO
C. Another adult relative (such as a sibling, aunt, cousin, grandparent, grandchild, etc.)	<input type="checkbox"/> YES <input type="checkbox"/> NO
D. An adult roommate	<input type="checkbox"/> YES <input type="checkbox"/> NO
E. Other _____	Other _____

  - If you checked NO for each statement above, you do not need to answer the remaining questions. Please initial line B, below, and sign and date the worksheet.
  - If you checked YES for any statement above, please answer question #3.
3. Do you share living expenses (bills, food, etc.) and share income (either your income, the other person's income or both incomes together) with at least one of the adults listed above in question #2?  YES  NO
  - If you checked NO, then your address includes **more than one household**. Please initial lines A and B below, and sign and date the worksheet.
  - If you checked YES, then your address includes only **one household**. You may not sign up for Lifeline if someone in your household already receives Lifeline.

- A. \_\_\_\_\_ I certify that I live at an address occupied by multiple households.
- B. \_\_\_\_\_ I understand that violation of the one-per-household requirement is against the Federal Communication Commission's rules and may result in me losing my Lifeline benefits, and potentially, prosecution by the United States government.

**SIGNATURE**

By signing below I certify that all information contained on this worksheet is true and correct. I understand that if I knowingly provide false information in order to obtain Lifeline benefits I will be guilty of perjury which is punishable by fines or imprisonment up to five years.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.	
	BORROWER NAME  Southern Montana Telephone Company  (Prepared with Audited Data)	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2013	BORROWER DESIGNATION MT0526
<b>CERTIFICATION</b>  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. <b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b>  DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (Check one of the following)		
<input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.		
<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report		
_____ DATE		

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	1,078,292	1,263,955	25. Accounts Payable	84,656	98,195
2. Cash-RUS Construction Fund	496	486	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	20,454	20,824
a. Telecom, Accounts Receivable	78,560	72,309	28. Customer Deposits	1,070	1,255
b. Other Accounts Receivable			29. Current Mat. L/T Debt	804,960	910,823
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable	533,240	378,319	33. Other Taxes Accrued	89,820	100,520
c. Notes Receivable			34. Other Current Liabilities	235,654	100,544
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	1,236,614	1,232,161
6. Material-Regulated	88,519	96,547	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	9,965,322	8,339,168
8. Prepayments	24,783	22,014	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	1,803,890	1,833,630	39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	321,075	325,548	46. Total Long-Term Debt (36 thru 45)	9,965,322	8,339,168
13. Nonregulated Investments	180,489	155,152	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	501,564	480,700	50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	23,795,394	23,184,153	51. Cap. Stock Outstand. & Subscribed	6,100	6,100
19. Property Held for Future Use			52. Additional Paid-in-Capital	3,290	3,290
20. Plant Under Construction	11,602	88,125	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	9,548,515	10,129,301	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	14,256,879	13,142,977	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	5,352,609	5,876,588
			58. Total Equity (51 thru 57)	5,361,999	5,885,978
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	16,563,935	15,457,307
	16,563,935	15,457,307			

Total Equity = 38.08% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0526	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2013	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		209,109	229,853
2. Network Access Services Revenues		4,774,646	4,318,992
3. Long Distance Network Services Revenues		117,179	117,073
4. Carrier Billing and Collection Revenues		378	249
5. Miscellaneous Revenues		3,694	1,177
6. Uncollectible Revenues		(412)	(1,270)
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>		<b>5,105,418</b>	<b>4,668,614</b>
8. Plant Specific Operations Expense		533,455	505,979
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		504,248	407,874
10. Depreciation Expense		1,351,742	1,328,533
11. Amortization Expense		8,750	8,750
12. Customer Operations Expense		185,358	188,394
13. Corporate Operations Expense		662,795	604,556
<b>14. Total Operating Expenses (8 thru 13)</b>		<b>3,246,348</b>	<b>3,044,086</b>
15. Operating Income or Margins (7 less 14)		1,859,070	1,624,528
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes		165,907	183,169
<b>20. Total Operating Taxes (17+18+19)</b>		<b>165,907</b>	<b>183,169</b>
21. Net Operating Income or Margins (15+16-20)		1,693,163	1,441,359
22. Interest on Funded Debt		405,940	387,225
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction		2,253	0
<b>26. Total Fixed Charges (22+23+24-25)</b>		<b>403,687</b>	<b>387,225</b>
27. Nonoperating Net Income		23,935	203,583
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		(130,844)	(142,456)
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>		<b>1,182,567</b>	<b>1,115,261</b>
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year		4,422,907	5,352,609
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)		252,865	591,282
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>		<b>5,352,609</b>	<b>5,876,588</b>
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
<b>43. Patronage Capital End-of-Year (40+41-42)</b>		<b>0</b>	<b>0</b>
44. Annual Debt Service Payments		1,163,105	1,236,800
45. Cash Ratio [(14+20-10-11) / 7]		0.4019	0.4048
46. Operating Accrual Ratio [(14+20+26) / 7]		0.7474	0.7742
47. TIER [(31+26) / 26]		3.9294	3.8801
48. DSCR [(31+26+10+11) / 44]		2.5335	2.2961

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0526	
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2013	
<b>PART I – STATEMENT OF CASH FLOWS</b>			
<b>1.</b>	<b>Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>		1,078,788
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>2.</b>	<b>Net Income</b>		1,115,261
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			
3.	Add: Depreciation		1,328,533
4.	Add: Amortization		8,750
5.	Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>			
6.	Decrease/(Increase) in Accounts Receivable		161,172
7.	Decrease/(Increase) in Materials and Inventory		(8,028)
8.	Decrease/(Increase) in Prepayments and Deferred Charges		2,769
9.	Decrease/(Increase) in Other Current Assets		0
10.	Increase/(Decrease) in Accounts Payable		13,539
11.	Increase/(Decrease) in Advance Billings & Payments		370
12.	Increase/(Decrease) in Other Current Liabilities		(124,410)
<b>13.</b>	<b>Net Cash Provided/(Used) by Operations</b>		<b>2,497,956</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
14.	Decrease/(Increase) in Notes Receivable		0
15.	Increase/(Decrease) in Notes Payable		0
16.	Increase/(Decrease) in Customer Deposits		185
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(1,520,291)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits		0
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0
20.	Less: Payment of Dividends		(591,282)
21.	Less: Patronage Capital Credits Retired		0
22.	Other (Explain)		
<b>23.</b>	<b>Net Cash Provided/(Used) by Financing Activities</b>		<b>(2,111,388)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
24.	Net Capital Expenditures (Property, Plant & Equipment)		534,718
25.	Other Long-Term Investments		20,864
26.	Other Noncurrent Assets & Jurisdictional Differences		0
27.	Other (Explain) Advance Payments on Long Term Debt.		(756,497)
<b>28.</b>	<b>Net Cash Provided/(Used) by Investing Activities</b>		<b>(200,915)</b>
<b>29.</b>	<b>Net Increase/(Decrease) in Cash</b>		<b>185,653</b>
<b>30.</b>	<b>Ending Cash</b>		<b>1,264,441</b>

Revision Date 2010