

LAW OFFICES
BLOOSTON, MORDKOFKY, DICKENS, DUFFY & PRENDERGAST, LLP
2120 L STREET, NW
WASHINGTON, DC 20037

(202) 659-0830
FACSIMILE: (202) 828-5568

AFFILIATED SOUTH AMERICAN OFFICES

ESTUDIO JAUREGUI & ASSOCIATES
BUENOS AIRES, ARGENTINA

ROBERT M. JACKSON
OF COUNSEL

PERRY W. WOOFER
LEGISLATIVE CONSULTANT

EUGENE MALISZEWSKYJ
ENGINEERING CONSULTANT

HAROLD MORDKOFKY
BENJAMIN H. DICKENS, JR.
JOHN A. PRENDERGAST
GERARD J. DUFFY
RICHARD D. RUBINO
MARY J. SISAK
D. CARY MITCHELL
SALVATORE TAILLEFER

June 29, 2014

ARTHUR BLOOSTON
1914 – 1999

WRITER'S CONTACT INFORMATION

gjd@bloostonlaw.com
202-828-5528

REDACTED – FOR PUBLIC INSPECTION

VIA HAND DELIVERY AND ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

**RE: Form 481 – Carrier Annual Reporting Data Collection Form
WC Dockets No. 10-90, 11-42 and 14-58
The Chillicothe Telephone Company (SAC 300597)**

Dear Ms. Dortch:

Pursuant to sections 54.313(i) and 54.422(c) of the Commission's Rules and the Commission's *Protective Order*¹ in this proceeding, The Chillicothe Telephone Company ("the Company") hereby submits two copies of its "FCC Form 481 – Carrier Annual Reporting Data Collection Form," which was or will be timely filed with the Universal Service Administrative Company and the appropriate state commission on or before July 1, 2014, and which includes a Redacted Confidential Document containing proprietary and confidential financial and 5-year build-out plan information that has been obscured.

¹ *In the Matter of Connect America Fund, et al.*, PROTECTIVE ORDER, WC Docket No. 10-90, et al., DA 12-1857, released November 16, 2013.

REDACTED – FOR PUBLIC INSPECTION

The Company seeks confidential treatment under the *Protective Order* for the financial information included in its report pursuant to §54.313(f)(2). Confidential treatment of this information is appropriate on the grounds that it is commercially sensitive information that is not normally released to the public. The Company is also submitting a copy of its FCC Form 481 (including the Redacted Confidential Document) via the Electronic Comment Filing System.

The Company has submitted a separate letter requesting confidential treatment pursuant to Section 0.459 of the Commission's Rules for certain proprietary and confidential portions of its "5-Year Build-out Plan."

Respectfully submitted,


Gerard J. Duffy

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BLOOSTON, MORDKOFKY, DICKENS, DUFFY & PRENDERGAST, LLP
2120 L STREET, NW, SUITE 300
WASHINGTON, DC 20037

HAROLD MORDKOFKY
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ENGINEERING CONSULTANT

June 27, 2014

WRITER'S CONTACT INFORMATION

(202) 828-5528
gjd@bloostonlaw.com

WC Docket Nos. 10-90, 11-42 and 14-58

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

**RE: Rule Section 0.459 Request for Confidential Treatment
The Chillicothe Telephone Company (SAC 300597)
FCC Form 481 – Carrier Annual Reporting Data Collection Form**

Dear Ms. Dortch:

The Chillicothe Telephone Company (“the Company”), by its attorney, hereby requests, pursuant to Section 0.459 of the Commission’s Rules, that the redacted portions of the Company’s “5-Year Build-out Plan” be withheld from public inspection.

In accordance with Section 0.459(b) of the Commission’s Rules, the Company states:

1. The specific information for which confidentiality is sought is comprised of the maps and tables (Attachments A, B, C, D and E) detailing annual projected network improvements and upgrades for voice and broadband services during the period from 2015 through 2019, and projecting the build-out costs of such projects during the same five-year period.
2. This information is submitted in compliance with the requirement in Section 54.313(a)(1) of the Commission’s Rules that recipients of high-cost support submit a progress report on their five-year service quality improvement plans.

REDACTED – FOR PUBLIC INSPECTION

Marlene H. Dortch, Secretary

June 27, 2014

Page 2 of 3

3. This information regarding the nature and timing of the Company's construction and network improvement plans, and the estimated costs thereof, is proprietary and confidential commercial and financial information that is routinely withheld from public inspection.

4. The voice and broadband services for which the 5-year service improvement plans have been prepared are subject to actual and ongoing competition in the Company's Chillicothe exchange from a large multiple cable system operator and to potential competition in the Company's other exchanges from competitive local exchange carriers, cable television system operators, electric power utilities, fixed and mobile wireless service providers, and/or satellite carriers. Even where competition is not active at present, the nature and scheduling of the Company's network upgrades and the size and timing of its related expenditures constitute very valuable competitive intelligence for any entity that may be contemplating or planning entry into one or more portions of the Company's service area.

5. Again, whether or not the Company has an active competitor in a particular exchange at the present time, there are numerous potential competitors and the nature and scheduling of the Company's network upgrades and the size and timing of its related expenditures constitute very valuable competitive intelligence that can greatly assist the planning of any entity that may be competing or contemplating entry into one or more portions of the Company's service area.

6. The Company limits internal access to its 5-year service improvement plan to its key employees and consultants who need the information for planning, reporting and management purposes. The plan is not posted on any Company website, or included in any Company press release, report or other document that is available to the general public or to unrestricted portions thereof.

7. The Company does not make its 5-year build-out plans available to the public, and has not previously disclosed the present plan or similar previous plans to third parties.

8. The Company requests that the maps in its plan not be available until 2021 (a full year after the end of the five-year period) and that the individual annual charts included in the plan not be available for public disclosure until at least the end of the next full calendar year following the calendar year to which the chart applied. Competitors and potential competitors should not be able to see the Company's network deployment and expenditure plans for a particular year prior to the year, during the year, or during the year following the year (particularly because weather and other factors can cause construction delays). After that period, projects are generally completed, and competitors are able to observe directly or read published reports of what the Company actually did to improve its network and services.

REDACTED – FOR PUBLIC INSPECTION

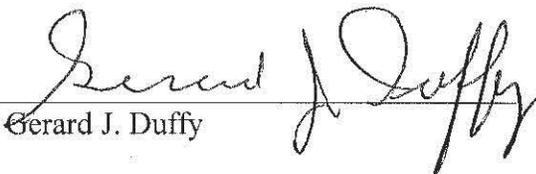
Marlene H. Dortch, Secretary

June 27, 2014

Page 3 of 3

The Company notes that it is also redacting and claiming confidential treatment, pursuant to the Bureau's *Protective Order*, DA 12-1857, released November 16, 2012, for the financial information submitted in compliance with the requirements of Section 54.313(f)(2) of the Commission's Rules.

Respectfully submitted,
The Chillicothe Telephone Company

By: 
Gerard J. Duffy

Its Attorney

Blooston, Mordkofsky, Dickens,
Duffy & Prendergast, LLP
2120 L Street NW (Suite 300)
Washington, DC 20037
Telephone: (202) 659-0830
Facsimile: (202) 828-5568
Email: gjd@bloostonlaw.com

FCC Form 481 - Carrier Annual Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0267/OMB Control No. 3060-0319 July 2015
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<010> Study Area Code	300597
<015> Study Area Name	THE CHILLICOTHE TEL
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	Jeff Blavins
<035> Contact Telephone Number: Number of the person identified in data line <030>	7407728327 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	jeff.blavins@horizontal.com

ANNUAL REPORTING FOR ALL CARRIERS	5-1513 Completion Required	5-1422 Completion Required
--	----------------------------------	----------------------------------

<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	[Redacted]	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	(attach descriptive document)		
<320> Unfulfilled Service Requests (broadband)	18	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	300597ch330.pdf	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	(attach descriptive document)		
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.22		
<420> Mobile	0.0		
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0		
<450> Mobile	0.0		
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> [Redacted]	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> [Redacted]	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> [Redacted]	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)?	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

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

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOthe TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	JEFF BLAVINE
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407723127 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blavine@horizontel.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 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>		(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.

<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 CEFC 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	<input checked="" type="checkbox"/>
<114>	Report how much universal service (USF) support was received	<input checked="" type="checkbox"/>
<115>	How (USF) was used to improve service quality	<input checked="" type="checkbox"/>
<116>	How (USF) was used to improve service coverage	<input checked="" type="checkbox"/>
<117>	How (USF) was used to improve service capacity	<input checked="" type="checkbox"/>
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	<input checked="" type="checkbox"/>

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

<010> Study Area Code	300587
<015> Study Area Name	THE CHILLICOTHE TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevine
<035> Contact Telephone Number - Number of person identified in data line <030>	740728327 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevine@horizontel.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)

(3100) No Terrestrial Backhaul Reporting Data Collection Form FCC Form 431
OMB Control No. 3060-0986/OMB Control No. 3060-0349
July 2013

<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHE TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	740720327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.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)

(1200) Terms and Condition for Lifeline Customers
Lifeline Data Collection Form

FCC Form 481
OMB Control No. 3050-0088/OMB Control No. 3060-0018
July 2013

<010>	Study Area Code	300597
<015>	Study Area Name	THE CHILLICOTHS TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blavins
<035>	Contact Telephone Number - Number of person identified in data line <030>	740728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blavins@horizontel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans



Name of Attached Document

<1220> Link to Public Website

HTTP www.horizontel.com

*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.
- <1222> Details on the number of minutes provided as part of the plan.
- <1223> Additional charges for toll calls, and rates for each such plan.

(2000) Price Cap Carrier Additional Documentation
 Data Collection Form
 Including Rate of Return Carriers Affiliated with Price Cap Local Exchange Carriers

FCC Form 481
 OMB Control No. 3060-0887/CMB Control No. 3060-0119
 July 2015

<018>	Study Area Code	300597
<015>	Study Area Name	THE CHILICOTHE TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035>	Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.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(h))
 - <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



4010 Study Area Code 300937
 4015 Study Area Name PRS CHILDCARE TRC
 4200 Project Year 2015
 4205 Contact Name, Person Usual Contact Regarding this data Jeff Bivilline
 4300 Contact Telephone Number, Number of Person Identified in data line 4205 7472723171, 806
 4305 Contact Email Address - Email Address of Person Identified in data line 4205 jeff.bivilline@prscare.com
 CHECK the boxes below to show compliance with the year under review and pursuant to CR § 54.310(2) and, accordingly, certify, under penalty of law, that the respondent complies with the specified reporting requirements as to each in 47 CR § 54.310(2)1. Further certify that the information reported on this form and in the documents attached hereto is accurate.

(3010) Prepare Reports 5 Year Plan
 Measure Certification (47 CR § 54.310(1)(ii))

Name of Attached Document Including Required Information

[Redacted Box]

(3011) Please check the box to confirm that the attached document(s) on the 2012 contain the required information pursuant to § 54.312 (1)(B)(i) and either state provides the name, phone, and address of community and/or associations to which reports providing services to the child are provided by preceding calendar year.

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3012) Community/Under Institution (47 CR § 54.310(1)(ii))

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3013) If your company is privately held NOT earlier (47 CR § 54.310(2))
 (3014) If yes, does your company file this annual report
 Please check the box to confirm that the attached document(s) on the 2017, contain the required information pursuant to § 54.310(2) compliance requires:

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3015) Brochure copy of the annual this report (Providing Report for Telecommunications Services)

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(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 MIS annual report and all related documentation

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3018) If the response is no on line 3014, is your company audited?
 If the response is yes on line 3018, please check the box to certify that you have a copy of the audit financial statement, or (b) a financial report in a format comparable to MIS Operating Report for Telecommunications Services.

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3019) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows
 Management letter issued by the independent certified public accountant that performed the company's financial audit.

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3020) If a response is no on line 3018, please check the box to certify that you have a copy of the audit financial statement, or (b) a financial report in a format comparable to MIS Operating Report for Telecommunications Services.

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3021) 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 MIS Operating Report for Telecommunications Services.

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3022) Including information subjected to a review by an independent certified public accountant

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3023) Underlying information subjected to an officer certification

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

(3024) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows
 (3025) Attach the web site listing required information

Name of Attached Document Including Required Information (Yes/No)

[Redacted Box] (Yes/No)

Certification Reporting Carrier Data Collection Form	FCC Form 487 OMB Control No. 3060-0985/OMB Control No. 3060-0815 July 2013
--	--

<010> Study Area Code	300597
<015> Study Area Name	THE CHILLICOTHE TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035> Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontel.com

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

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	THE CHILLICOTHE TEL
Signature of Authorized Officer:	CERTIFIED ONLINE Date 06/25/2014
Printed name of Authorized Officer:	Pete Holland
Title or position of Authorized Officer:	CFO
Telephone number of Authorized Officer:	7407728947 ext.
Study Area Code of Reporting Carrier:	300597 Filing Due Date for this form: 07/01/2014
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. 55 502, 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	FCS Form A31 OMB Control No. 8050-0988/OMB Control No. 8050-0019 July 2015
--	--

<010> Study Area Code	300597
<015> Study Area Name	THE CHILLICOTHE TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Jeff Blevins
<035> Contact Telephone Number - Number of person identified in data line <030>	7407728327 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jeff.blevins@horizontal.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



5-Year Build-out Plan

Improvements and Upgrades

Horizon Chillicothe Telephone Company
68 East Main Street, Chillicothe, Ohio 45601

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Overview of Reporting Requirements

The Five-year service quality improvement plan (5-year Plan) is being filed pursuant to 47 C.F.R. § 54.202 "Additional requirements for Commission designation of eligible telecommunications carriers". Specifically, § 54.202(a)(1) requires a carrier to demonstrate that it complies with the service requirements applicable to the support that it receives.

The Commission requires that all rate-of-return ETCs receiving support are taking reasonable steps to offer broadband service meeting the requirements of the 4 Mbps/1 Mbps standard established throughout their service area, and that requests for such service are met within a reasonable amount of time. This document will establish Horizon is meeting its obligation to provide 4 Mbps/1 Mbps broadband service and is using all federal high cost support to meet such obligations.

Descriptive Document

Per 47 C.F.R. § 54.202 (a)(1)(ii), an ETC must submit a 5-year Plan that describes with specificity proposed improvements or upgrades to the ETC's network on a wire center-by-wire center basis throughout its proposed designated service area. The ETC shall demonstrate or provide:

- ◆ How coverage or capacity will improve due to the receipt of high-cost support
- ◆ The projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support
- ◆ The specific geographic areas where the improvements will be made
- ◆ The estimated population that will be served as a result of the improvements.

Coverage

Area Served

The Horizon Chillicothe Telephone Company (Horizon) serves 10 exchanges and approximately 20,000 customers in ten central offices located in Ross, Pike, Pickaway, Jackson, Hocking, and Vinton counties, Ohio. The ten central exchanges are known as, and are located at Bainbridge, Bourneville, Chillicothe, Clarksburg, Frankfort, Hallsville, Kingston, Londonderry, Massieville and Richmondale. The ten central offices serve approximately 700 square miles in the 324 LATA (area codes 614 and 740). The largest of the ten central exchanges is Chillicothe, the headquarters location.

Population Served

According to the 2010 Census Data, there are 28,892 households in the Horizon serving area.

Capacity

Currently, several of the transmission equipment field boxes are equipped to handle up to 1/Mbps downstream speed for broadband service. Horizon's objective in Years 1 through 5 is to add equipment and new fiber routes to serve another [REDACTED] households. The equipment at a minimum will provide the 4 Mbps/1 Mbps standard or greater for broadband service.

Mapping Coverage Targets

Planning and Design

The first step was to map name and address data into the mapping software. Once the households were mapped, Horizon mapped the existing transmission equipment boxes using latitude and longitude coordinates. The equipment in each box was identified by the maximum downstream speed that could be offered for broadband service. Boxes with 4 Mbps/1 Mbps and greater were identified as individual centroids and the "distance reach" to households was drawn out from the centroids and a circle was drawn around each box. These "circles" are colored in yellow.

Boxes with less than 4 Mbps/1 Mbps were identified as individual centroids and the distance reach to households was drawn out from these centroids and a circle was drawn around each box. These circles are colored in blue. In addition, household clusters with no coverage were identified.

Prior to the 5-year Plan, Horizon began changing the equipment in boxes with less than 4 Mbps/1 Mbps which will offer the minimum required speed of 4 Mbps/1 Mbps.

Years 1 and 2 Planning

Year's 1 and 2 focus is increasing capacity. Horizon identified dense household areas which were close to existing fiber routes. The densest areas were targeted for additional equipment installations which would offer of 4 Mbps/1 Mbps or greater broadband service to previously uncovered households. Horizon was able to identify how many new equipment boxes were required by pointing to the center of dense household areas and then drawing a distance reach circle around each pointer. Also, Horizon covers the majority of anchor institutes in its serving area. The red stars in the maps are the anchor institutes. See Attachment A for the target coverage areas colored blue and stars for anchor institutes.

Year 3 through 5 Planning

Year's 3 through 5 planning continue with targeting additional un-served broadband areas to cover. Horizon targets the remaining un-served clusters of households to extend coverage. See Attachments B through D for the target coverage areas colored blue.

Service Coverage

As addressed above in Year 1 through 5 planning, Horizon has estimated nearly 100% coverage. Per the Commission's "Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking," released June 10, 2014, clarification was provided regarding coverage.

The Commission declined to establish a mandatory requirement to deploy broadband-capable facilities to all locations within the service territory of a rate-of-return carrier. Instead, as a condition on the continued receipt of Universal Service Program support, the Commission required rate-of-return carriers to provide broadband service meeting the specified performance requirements upon "reasonable request" for service and within a reasonable amount of time.

Mapping Areas with Unsubsidized Competitors

Prior to Year 1 build-out, Horizon will address its coverage plans and if coverage will be deployed in areas already served by unsubsidized competitors. Horizon will use output data from the Connect

America Cost Model, or other available tools, and identify which census blocks have partial or full coverage by an unsubsidized competitor.

Investment Deployment and Reasonable Request Standards

Horizon's customer care department tracks customer's requests for services the Company does not currently offer in the customer's area. In addition, Horizon's engineering department maintains a "Box

Evaluation Maintenance" database which identifies exchange, box location, build date, build-out cost, work order number, and other data relevant to expanding broadband services. Horizon in the near term will add to this database a) census block numbers, b) census block coverage by an unsubsidized competitor, c) cost per customer, per month, d) anticipated end user revenue and federal support revenue per customer, per month, and e) a tick box for "customer request," if one has been made. Areas deemed not cost effective will be flagged for "pending further review".

USF Support Improves Service Coverage and Capacity

Horizon has identified the ongoing capital improvements and supporting expenses associated with the voice and broadband network for the next 5 years. As required, Horizon has identified how much universal service support was received and how it will be used to improve service quality, coverage, or capacity. See Attachment E for tables identifying how USF support will be used appropriately to meet quality, coverage, and capacity obligations.

REDACTED - FOR PUBLIC INSPECTION

The Chillicothe Telephone Company The Five Year Service Quality Improvement Plan (Part 54.202)



The Chillicothe Telephone Company The Five Year Service Quality Improvement Plan (Part 54.202)



The Chillicothe Telephone Company The Five Year Service Quality Improvement Plan (Part 54.202)





June 18, 2014

Unfulfilled Broadband Service Requests Resolution

Horizon's customer care department tracks customer's requests for services the Company does not currently offer in the customer's area. In addition, Horizon's engineering department maintains a "Box Evaluation Maintenance" database which identifies exchange, box location, build date, build-out cost, work order number, and other data relevant to expanding broadband services.

The custom care department periodically sends a list of requesting customers to the engineering department. Engineering adds the customer data to its database and ticks a box for "customer request." As the customers serving area is upgraded for broadband and the broadband meets the customer's request (assuming the request was reasonable), engineering will send an updated customer request for service list back to customer care.

Customer care will make a "warm" call and notify the customer has upgraded services in their area and inquire if they would like to purchase a new or upgraded broadband package.

Respectfully,

A handwritten signature in black ink, appearing to read "P. Holland", written over a white background.

Pete Holland
The Chillicothe Telephone Company
68 E Main St.
Chillicothe, OH 45601
(740) 772-8547



June 18, 2014

The Company complies with applicable federal and Ohio service quality standards and consumer protection rules with respect to its basic local exchange services and Lifeline services, including requirements regarding contractual terms and conditions, rates, rate increases, lists of features and services, deposits, directories, billing periods, late payment fees, repair commitments, out-of-service credits, disconnection and reconnection.

Respectfully,

A handwritten signature in black ink, appearing to read "Pete Holland", written over a light blue horizontal line.

Pete Holland
The Chillicothe Telephone Company
68 E Main St.
Chillicothe, OH 45601
(740) 772-8547



June 18, 2014

The Company has examined the ability of its network to remain functional in the event of the occurrence of the types of emergency situations likely to impact its central Ohio service area (e.g., severe snow and ice storms, lightning storms, tornados, earthquakes, forest fires, nuclear power plant accidents). On the basis of its risk assessments, the Company has determined that it has available a reasonable amount of back-up power to ensure the functionality of its affected exchanges for at least 4 days without an external power source. The Company also has concluded from its risk assessments that its network has reasonable and sufficient options for routing traffic around the facilities most likely to be damaged in the relevant emergencies, and that its network has sufficient capacity to manage most traffic spikes resulting from such emergencies.

Respectfully,

A handwritten signature in black ink, appearing to read "P. Holland", written over a light blue horizontal line.

Pete Holland
The Chillicothe Telephone Company
68 E Main St.
Chillicothe, OH 45601
(740) 772-8547



June 18, 2014

Description of Voice Services Rate Compatibility

Horizon's voice pricing is no more than two standard deviations above the applicable national average urban rate floor for voice services. Per DA 14-384, released March 20, 2014, the Wireline Competition Bureau announced the results of the 2014 rate floor for ILECs in urban areas is \$20.46.

In compliance with WC Docket No. 14-48, "In the Matter of Material to be Filed in Support of 2014 Annual Access Tariff Filings", released April 14, 2014, "For switched access services, ILECs regulated pursuant to sections 61.38 and 61.39 of the Commission's rules must complete the ARC spreadsheets." On June 16, 2014, Horizon submitted the ARC spreadsheets which contain the detail for voice pricing. Horizon's rate ceiling is 28.70 with federal subscriber line charge. The following table is a snapshot of the data filed with the Commission.

Table 1 – ARC TRP with Voice Rates

Filing Date (enter w/leading '): 6/16/2014 ARCCTRP-CAF-1
 Holding Company:
 Filing Name: The Chillicothe Telephone Company

Study Area	EXCHANGES	Rate Ceiling Component Charges Calculation { 51.915(b)(11) }											Total Crnt Yr Rate Ceiling
		Res / NP / BRI Tariff Period Projected Lines	SLB Tariff Period Projected Lines	RESIDENCE / NP / BRI / SLB (excluding Lifeline)			Mandatory		State		State	Federal	
				Stand-alone R1 rate	Mandatory EAS	Zona Charges	State SLC	E911	TR5	USF	SLC		
Ohio	Chillicothe	6,766	942	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	
Ohio	Bainbridge	563	78	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	
Ohio	Bourneville	344	48	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	
Ohio	Clarksburg	221	31	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	
Ohio	Frankfort	642	89	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	
Ohio	Hallsville	362	50	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	
Ohio	Kingston	373	52	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	
Ohio	Londonderry	585	81	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	
Ohio	Massieville	103	14	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	
Ohio	Richmond Dale	200	28	\$ 22.00	\$ -	\$ -	\$ -	\$0.20	\$0.00	\$0.00	\$6.50	\$28.70	

Respectfully,

Pete Holland
 The Chillicothe Telephone Company
 68 E Main St.
 Chillicothe, OH 45601
 (740) 772-8547



REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
The Chillicothe Telephone Company

Report on the Financial Statements

We have audited the accompanying financial statements of The Chillicothe Telephone Company, which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of income, comprehensive income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



REPORT OF INDEPENDENT AUDITORS (continued)

Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Chillicothe Telephone Company as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP

Overland Park, Kansas
March 26, 2014

<010> Study Area Code
 <015> Study Area Name
 <020> Program Year
 <030> Contact Name - Person USAC should contact regarding this data
 <035> Contact Telephone Number - Number of person identified in data line <030>
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 300597
 <015> The Chillicothe Telephone Company
 <020> 2013
 <030> Don Barnhart
 <035> 740-772-8348
 <039> don.barnhart@horizontel.com

PART C. STATEMENTS OF CASH FLOWS	
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)
CASH FLOWS FROM OPERATING ACTIVITIES	
2.	Net Income
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation
4.	Add: Amortization
5.	Other (Explain) Deferred income tax, provision for bad debt, inventory reserve
Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable
7.	Decrease/(Increase) in Materials and Inventory
8.	Decrease/(Increase) in Prepayments and Deferred Charges
9.	Decrease/(Increase) in Other Current Assets
10.	Increase/(Decrease) in Accounts Payable
11.	Increase/(Decrease) in Advance Billings & Payments
12.	Increase/(Decrease) in Other Current Liabilities
13.	Net Cash Provided/(Used) by Operations
CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable
15.	Increase/(Decrease) in Notes Payable
16.	Increase/(Decrease) in Customer Deposits
17.	Net Increase/(Decrease) in Long Term Debt (including Current Maturities)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital
20.	Less: Payment of Dividends
21.	Less: Patronage Capital Credits Retired
22.	Other (Explain) Contributed capital
23.	Net Cash Provided/(Used) by Financing Activities
CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)
25.	Other Long-Term Investments
26.	Other Noncurrent Assets & Jurisdictional Differences
27.	Other (Explain) Advanced payments on construction and proceeds from asset sales
28.	Net Cash Provided/(Used) by Investing Activities
29.	Net Increase/(Decrease) in Cash
30.	Ending Cash

<010> Study Area Code
 <015> Study Area Name
 <020> Program Year
 <030> Contact Name - Person USAC should contact regarding this data
 <035> Contact Telephone Number - Number of person identified in data line <030>
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 300937
 <015> The Chickoote Telephone Company
 <020> 2013
 <030> Don Barahart
 <035> 740-772-8343
 <039> don.barahart@horkontel.com

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



HORIZON
Chillicothe Telephone

March 26, 2014

Moss Adams LLP
7285 W. 132nd Street, Suite 220
Overland Park, KS 66213

We are providing this letter in connection with your audits of the financial statements of The Chillicothe Telephone Company (the "Company") which comprise the balance sheets as of December 31, 2013 and 2012 and the related statements of income, comprehensive income, stockholder's equity and cash flows for the years then ended and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$110,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 26, 2014,

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 23rd, 2013, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal controls which seek to prevent and detect fraud
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We are not aware of any uncorrected financial statement misstatements that are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Information Provided

9. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared;
 - c. Additional information that you have requested from us for the purpose of the audit;
 - d. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
10. All material transactions have been properly recorded in the accounting records and are reflected in the financial statements.
11. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud that affects the entity and involves—
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others when the fraud could have a material effect on the financial statements.
13. We have no knowledge of any allegations of fraud or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
14. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
15. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
16. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
17. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance sheet date and have been appropriately reduced to their estimated net realizable value.
18. We have reviewed long-lived assets for impairment whenever events or changes in circumstances have indicated that the carrying value amount of assets might not be recoverable. We have not identified any impairment that would require adjustment to the carrying values of long-lived assets.
19. The following have been properly recorded or disclosed in the financial statements:
 - a. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Company is contingently liable.
 - c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with ASC 275 Risks and Uncertainties. (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year).
 - d. All leases and material amounts of rental obligations under long-term leases.
 - e. Concentrations of credit and other risk.

- f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements have been properly disclosed.
20. With respect to the Company, there are no—
- a. Violations of laws or regulations whose effects should be disclosed in the financial statements or as a basis for recording a loss contingency.
 - b. Possible illegal acts brought to the attention of management.
 - c. Unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed in accordance with ASC 450, Contingencies.
 - d. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC 450.
 - e. Agreements to repurchase assets previously sold.
 - f. Undisclosed guarantees, whether written or oral, under which the Company is contingently liable.
 - g. Liabilities which are subordinated to any other actual or possible liabilities of the Company.
21. The Company has satisfactory title to all owned assets, and there are no material liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed to you and reported in the financial statements.
22. We acknowledge that we are responsible for the financial statements, including the footnotes, and have the resources to prepare them in-house. We have elected to use Moss Adams to prepare the financial statements and footnotes. We have reviewed and approved the financial statements prepared by Moss Adams.
23. We have reviewed and approved the tax accrual calculations and acknowledge that we are responsible for the accrual prepared by Moss Adams.
24. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Company vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
25. We believe adequate provisions have been made to prepare and record access revenue estimates in compliance with rules established by the Federal Communications Commission and the National Exchange Carrier Association (NECA). We are unaware of any items or issues which would cause material true-up adjustments to revenues for the audit period as a result of differences between recorded access revenues based on our estimates and revenues that will result from the filing of the annual cost study with NECA.
26. We believe the allocation of costs between regulated and non-regulated operations is reasonable. NECA and USAC have not objected to the allocations in our regulatory filings and we are not aware of any adverse rulings from either agency that would require a return of revenues that have been earned to date.
27. Related party transactions are priced in accordance with the FCC's rules on affiliate transactions in Part 32.27.
28. We believe the Company has no material unrecorded asset retirement obligations associated with its property, plant, and equipment that are required to be accrued or disclosed.
29. The Company has no significant amounts of idle property and equipment or permanent excess capacity.
30. The Company has future plans to complete work orders that have been temporarily suspended and reclassified from telecommunications plant under construction to other noncurrent assets. Work orders for which the Company has charged to other nonoperating expense represent work orders suspended for which the Company has abandoned and has no plans to complete.

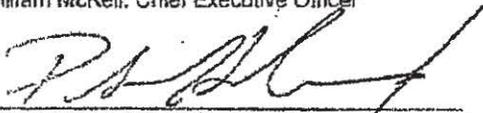
31. Access receivables recorded in the financial statements represent valid claims against interexchange carriers arising on or before the balance sheet date and have been appropriately reduced to their estimated realizable value.
32. Provision, when material, has been made for:
 - a. Losses to be sustained from inability to fulfill any sales commitments.
 - b. Losses to be sustained as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices.
 - c. Losses to be sustained as a result of the reduction of excess or obsolete inventories to their estimated net realizable value.
33. All cash deposits are in institutions whose accounts are insured by an agency of the Federal government.
34. Regarding inventory:
 - a. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
 - b. The inventories were recorded and valued in substantially the same manner and on the same basis as the inventories at the close of the preceding year.
 - c. In our opinion, the amount reported on the balance sheet is a fair and proper valuation of the inventories.
35. Required federal and state income tax returns have been filed for previous years on a timely basis. We have informed you of all tax matters coming to our attention which may have a material effect on our financial statements. The Company has no material uncertain tax positions to be accounted for in the financial statements.
36. The calculations of current and deferred tax expense and/or benefit and related current and long-term deferred tax assets and liabilities have been determined based on appropriate provisions of applicable enacted tax laws and regulations.
37. A valuation allowance against deferred tax assets at the balance-sheet date is not considered necessary because it is more likely than not that the deferred tax asset will be fully utilized.
38. The Company has complied with contractual agreements that would have a material adverse effect on the financial statements in the event of noncompliance.
39. We are aware of all significant compliance requirements related to our BTOP funding and as of December 31, 2013, we believe that the Company met the requirements which were due as of December 31, 2013.
40. We believe that the deferred revenues recognized on the balance sheets for the BTOP, the Southern Ohio Health Care Network (SOHCN), and Verizon agreements are properly accounted for in accordance with the grant and contractual terms of the agreements.
41. We have evaluated all of the Company's indefeasible right to use (IRU) agreements and we believe that they qualify for operating lease treatment and that the IRUs have been properly accounted for as operating lease arrangements.
42. The assets associated with retirements recorded in our records are no longer used in providing service to our customers.
43. With regard to our defined postretirement benefit plans:
 - a. We agree with the findings of specialists in evaluating the Company's postretirement healthcare liability and pension plan liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
 - b. We believe the accrued postretirement benefit plan information provided by Aon Hewitt in their reports represents a reasonable estimate of the Company's accrued post-employment benefit obligation as of December 31, 2013.

- c. We believe that the assumptions used by Aon Hewitt to calculate the accrued postretirement benefit plan liabilities at December 31, 2013 are reasonable. These assumptions include, but are not limited to: number of eligible employees, discount rate, expected return on plan assets, probabilities of withdrawals, retirement, and mortality.
- d. We have disclosed to you all significant postretirement benefits promised and have made available to you all significant summary plan descriptions, benefit communications, and all other relevant information, including plan changes, that constitute the plan.

- 44. All contributions to employee benefit plans have been authorized by management and are reflected in the financial statements.
- 45. As of December 31, 2013, the Company has completed a network meeting its obligations for the Connecting Appalachian Ohio Middle Mile Consortium project. The Company is currently in the process of completing the paper work required for close-out (anticipated to occur on or before June 30, 2014).



William McKell, Chief Executive Officer



Peter Holland, Chief Financial Officer



Don Barnhart, Manager of Accounting