

LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is \$46.96, which includes the federal subscriber line charge ("SLC").

In the exchange of Harmony served by the Harmony Telephone Company, the single-line residential local rate, including any mandatory extended area service charge, is \$14.75. When the federal SLC (\$6.50) and other state fees are included, the rate becomes \$22.12.

In the exchange of South Harmony served by the Harmony Telephone Company, the single-line residential local rate, including any mandatory extended area service charge, is \$14.75. When the federal SLC (\$6.50) and other state fees are included, the rate becomes \$21.25.

Therefore, the Company's pricing of fixed voice services is less than the reasonable comparability benchmark of \$46.96.

SAC: 361404
State: Minnesota
Harmony Telephone Company
Form 481 Line No.: 1210 Terms and Conditions of Voice Telephony Lifeline Plans

- Harmony Telephone Company offers Lifeline Service Credit according to basic service requirements listed in **Minnesota Administrative Rule "7812.06000 – Basic Service Requirements."**

Subpart 1. Required services. A local service provider (LSP) shall provide, as part of its local service offering, the following to all customers within its service area:

- A. Single party voice-grade service and touch-tone capability;
 - B. 911 or enhanced 911 access;
 - C. 1 + intraLATA and interLATA presubscription and code-specific equal access to interexchange carriers subscribing to its switched access service;
 - D. Access to directory assistance, directory listings, and operator services;
 - E. Toll and information service-blocking capability without recurring monthly charges as provided in the commission's ORDER REGARDING LOCAL DISCONNECTION AND TOLL BLOCKING CHARGES, Docket No. P-999/CI-96-38 (June 4, 1996), and its ORDER GRANTING TIME EXTENSIONS AND CLARIFYING ONE PORTION OF PREVIOUS ORDER, Docket No. P-999/CI-96-38 (September 16, 1996), which are incorporated by reference, are not subject to frequent change, and are available through the statewide interlibrary loan system;
 - F. One white pages directory per year for each local calling area, which may include more than one local calling area, except where an offer is made and explicitly refused by the customer;
 - G. A white pages and directory assistance listing, or, upon customer request, a private listing that allows the customer to have an unlisted or unpublished telephone number;
 - H. Call-tracing capability according to chapter 7813;
 - I. Blocking capability according to the commission's ORDER ESTABLISHING CONDITIONS FOR THE PROVISION OF CUSTOMER LOCAL AREA SIGNALING SERVICES, Docket No. P-999/CI-92-992 (June 17, 1993) and its ORDER AFTER RECONSIDERATION, Docket No. P-999/CI-92-992 (December 3, 1993), which are incorporated by reference, are not subject to frequent change, and are available through the statewide interlibrary loan system; and
 - J. Telecommunications relay service capability or access necessary to comply with state and federal regulations.
- Harmony Telephone Company Lifeline service offerings are listed in their Local Service Tariff Section 5, Pages 53-53.2 (attached) pursuant to **Minnesota Rule 7812.0600 Subpart 2:**

Subpart 2. Separate flat rate service offering. At a minimum, each LSP shall offer the services identified in subpart 1 as a separate tariff or price list offering on a flat rate basis. An LSP may also offer basic local service on a measured rate basis or in combination with other services. An LSP may impose separate charges for the services set forth in subpart 1 only to the extent permitted by applicable laws, rules, and commission orders.

- The Local Service Tariff is on file with the Minnesota Public Utility Commission.
- All Lifeline subscribers must meet the terms and conditions of Federal Lifeline Eligibility Rules.

SAC: 361404
State: Minnesota
Harmony Telephone Company
Form 481 Line No.: 1210 Terms and Conditions of Voice Telephony Lifeline Plans

Harmony Telephone Company does adhere to all Federal Lifeline eligibility rules and regulations as well as Minnesota Administrative Rule "7817.0400 - Eligibility for Telephone Assistance Credits" which states:

Minnesota Administrative Rule 237 Chapter 7817.0400

Subpart 1. Information provided. Each local service provider shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing. If a subscriber has chosen to receive the regular billing other than through U.S. mail, the local service provider shall send the notice in a regular billing using the delivery method chosen by the subscriber for delivery of the regular billing. The notice must state the following: YOU MAY BE ELIBIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE PROGRAMS OR MEET CERTAIN INCOME LIMITS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT

 (local service provider) . On request, the local service provider shall mail to a person an application form developed by the commission and the Department of Commerce, and a brochure that describes the telephone assistance plan's eligibility requirements and application process.

Subpart 2. Application process. On completing and signing the application certifying under penalty of perjury that the information provided by the applicant is true and that the statutory criteria for eligibility are satisfied, the applicant must return it to the local service provider for enrollment in the telephone assistance plan. An application may be made by the subscriber, the subscriber's spouse, or a person authorized by the subscriber to act on the subscriber's behalf.

Subpart 4. Eligibility criteria. To be eligible for a telephone assistance credit the applicant must:

- A. be a subscriber who resides in Minnesota or has moved to Minnesota and intends to remain; and
- B. be eligible for the federal Lifeline telephone service discount.

Subpart 7. Applicant and recipient responsibilities. Each applicant and each recipient shall provide current information to the local service provider about permanent changes that affect the applicant's or recipient's eligibility.

Subpart 8. Local service provider responsibilities.

- A. A local service provider shall begin providing telephone assistance credits to an applicant in the earliest possible billing cycle but not later than the second billing cycle following submission of a completed application demonstrating eligibility. If certified, the local service provider shall notify the applicant by, for example, placing telephone assistance credits on the bill.
- B. If an applicant is denied eligibility, the local service provider shall notify the applicant in writing of the reasons for the denial, of the right to appeal, and of the right to reapply.

GENERAL SERVICES

LIFELINE AND MINNESOTA TELEPHONE ASSISTANCE PLAN (TAP)

The Lifeline Assistance (Lifeline) program, established by the Federal Communications Commission under 47CFR54, is a means of maintaining and preserving universal service by providing a reduction in the recurring price of basic local residential exchange access service to qualifying low income residential subscribers.

TAP is a state sponsored assistance program under Minnesota Statutes Chapter 237 and is designed to make telephone service accessible to qualifying low-income residential households. Through this program, eligible households will receive a monthly discount on their telephone service.

1. GENERAL

- a. Lifeline is a federally-funded reduction of the subscriber line charge (SLC) and a reduction of local service charges. The maximum rate changes depending on the company's approved SLC tariffs. Eligible applicants living on or near federally recognized Tribal Lands/reservations will receive an additional credit of up to \$25.00 (Tier Four) sufficient to reduce the monthly rate for local service to no less than \$1.00 inclusive of this subscriber line charge.
- b. Federal Universal Service Fund End User Charge will not be billed to Lifeline customers.
- c. Local service for Lifeline subscribers may not be disconnected for non-payment of toll charges.
 - 1) Toll Restriction Service will be provided to Lifeline subscribers at no charge.
 - 2) Lifeline subscribers are not required to accept Toll Restriction Service as a condition to avoid disconnection of local service for non-payment of toll.
 - 3) Lifeline subscribers are not required to pay a service deposit in order to initiate service if the subscriber voluntarily elects to receive Toll Restriction Service.
- d. Partial payments from Lifeline subscribers will be applied first to local service charges and then to toll charges.

2. ELIGIBILITY REQUIREMENTS

- a. Lifeline will be provided for one (1) telephone line per household, at the subscriber's principal place of residence, to those individuals who meet the eligibility requirements.
- b. The applicant has income at or below 135 percent of the Federal Poverty Guidelines or participates in one of the following programs:
 - Medicaid/Medical Assistance
 - Food Support/Food Stamps
 - Supplemental Security Income
 - Federal Public Housing Assistance or Section 8
 - Low Income Home Energy Assistance Program (LIHEAP)
 - National School Lunch Program's Free Lunch Program
 - Temporary Assistance for Needy Families (Minnesota Family Investment Program, or MFIP)

(N)
(N)

GENERAL SERVICES

LIFELINE AND MINNESOTA TELEPHONE ASSISTANCE PLAN (TAP) (Continued)

2. Eligibility Requirements (Continued)

Individuals who do not qualify under any of the above but live on or near a federally recognized reservation may qualify if the applicant receives benefits from at least one of the following programs:

- Bureau of Indian Affairs General Assistance
 - Tribally Administered Temporary Assistance for Needy Families
 - Head Start (only for those meeting its income qualifying standard)
 - National School Lunch Program's free lunch program
- c. The applicant signs a document certifying under penalty of perjury that the applicant receives benefits from one of the programs listed and identifying the program or programs from which that consumer receives benefits.
- d. The applicant signs a document agreeing to notify the carrier if that consumer ceases to participate in the program or programs. When the company is notified by the customer that the customer no longer participates in one of the above programs, the federal credits to that customer's monthly charges shall cease beginning with the start of the billing cycle beginning in the month after the month in which notification is received.

3. Eligibility Revocation

If the telephone company discovers that conditions exist that disqualify the recipient of Lifeline Assistance, the support will be discontinued. The customer will be billed retroactively to whichever is the most recent of the dates Lifeline assistance commenced or the recipient no longer qualified for the service not to exceed 12 months.

4. Eligibility for the State TAP Credit

- a. The state TAP credit is only available to residential subscribers who meet the eligibility requirements for the Federal Lifeline Credit in 2 above.
- b. The customer must reside in Minnesota or have moved to Minnesota and intend to remain.

(D)

GENERAL SERVICES

LIFELINE AND MINNESOTA TELEPHONE ASSISTANCE PLAN (TAP) (Continued)

5. Regulations

- a. The Federal Lifeline and state TAP credit will begin at the customer's earliest possible billing cycle but no later than the second billing cycle after the date the application for the Federal Lifeline and state TAP credit is received by the telephone company.
- b. A service charge shall not be billed to establish qualification for either the Federal Lifeline or state TAP credit.
- c. When a customer enrolls for the state TAP credit, the Company is reimbursed for the cost of the service order activity.

6. Funding

The Federal Lifeline Credit is funded through the FCC universal service program. The state TAP credit shall be funded through the state Telephone Assistance Plan Surcharge on residence and business access lines which pay the 911 surcharge.

7. Rates

The surcharge rate is the effective rate ordered by the Minnesota Public Utilities Commission. The Company is responsible for billing, collecting and remitting the surcharge to appropriate government agency.

The Lifeline customer will receive a monthly credit toward their local exchange service rate. The total Federal monthly credit identified in 47 CFR 54.403 shall be used to reduce the Lifeline customer's rate, plus the state credit identified below:

State TAP Credit	\$3.50	(C)
------------------	--------	-----

Toll blocking shall be included with this service offering without charge. No service deposit would be required if applicant voluntarily elects toll blocking with the initiation of Lifeline Service.

SAC: 361404

State: Iowa

Harmony Telephone Company

Form 481 Line No.: 1210 Terms and Conditions of Voice Telephony Lifeline

-
- Harmony Telephone Company's Lifeline service offerings are listed in their Local Service Tariff Part VI, Sheet 70 (attached). The Local Service Tariff is on file with the Iowa Utility Board.
 - All Lifeline subscribers must meet the terms and conditions of Federal Lifeline Eligibility Rules.
-

Harmony Telephone Company does adhere to all Federal Lifeline eligibility rules and regulations as well as Iowa Administrative Code "199-39.3 - Low-income connection assistance program and low-income Lifeline assistance" which states:

199-39.3(476) Low-income connection assistance program (Link-Up) and low-income Lifeline assistance.

39.3(1) Filing of tariffs or inclusion of offer in contracts.

a. Eligible telecommunications carriers that file tariffs with the board shall include in their tariffs provisions offering low-income connection assistance (Link-Up) and low-income Lifeline assistance rates to qualified applicants for single-party service, voice grade access to the public switched network, DTMF (Dual Tone Multi-Frequency) or its functional digital equivalent, access to emergency services, access to operator services, access to interexchange service, and access to directory assistance. In addition, toll limitation shall be included in this service offering without charge to the Lifeline customer.

b. Eligible carriers that do not file tariffs with the board shall include the Link-Up and Lifeline offerings in their agreements to provide service to customers. These eligible carriers shall file with the board copies of their current customer service agreements.

39.3(2) Rates.

a. *Link-Up connection assistance rates.* The reduced rates shall include all state-tariffed connection charges for installing basic residential service except security deposits. The eligible carrier shall offer to qualified applicants either or both of the following:

(1) A reduction of 50 percent of all connection charges or \$30, whichever is less, and

(2) A deferred payment schedule of equal payments of the charges of up to \$200 assessed for commencing service. The consumer does not pay interest on the deferred charges. The deferral period shall not exceed one year.

(3) The consumer shall receive the benefit of the Link-Up program for a second or subsequent time only for a principal place of residence with an address different from the residence address at which Link-Up assistance was provided previously.

b. *Lifeline assistance rates.* The rates charged to qualified applicants shall reflect the following:

(1) Eligible carriers that do not charge federal end-user common line charges or equivalent federal charges must apply the federal baseline Lifeline support to waive the Lifeline consumer's federal end-user common line charges.

(2) Eligible carriers that do not charge federal end-user common line charges or equivalent federal charges must apply the federal baseline Lifeline support amount to reduce the Lifeline consumer's lowest tariffed residential rate.

(3) Qualified applicants shall have their monthly local exchange service rate reduced by the federal support of \$1.75, in addition to the baseline federal support used either to waive the Lifeline consumer's federal end-user common line charges, or to reduce the Lifeline consumer's residential rate.

SAC: 361404
 State: Iowa
 Harmony Telephone Company
 Form 481 Line No.: 1210 Terms and Conditions of Voice Telephony Lifeline

(4) Eligible carriers may not collect a service deposit in order to initiate Lifeline service, if the qualified applicant voluntarily elects toll blocking where available.

39.3(3) Qualified applicants. To be eligible for Lifeline or Link-Up assistance, an applicant must either have income that is at or below 135 percent of the Federal Poverty Guidelines or participate in one of the following programs:

- a. Medicaid (e.g., Title XIX/Medical, State Supplemental Assistance);
- b. Food stamps;
- c. Supplemental Security Income;
- d. Federal Public Housing Assistance Section 8;
- e. Low-income Home Energy Assistance Program;
- f. Temporary Assistance to Needy Families;
- g. National School Lunch Program's free lunch program.

39.3(4) Certification. The certification of eligibility for Lifeline or Link-Up rate assistance shall be upon a form as set forth below. The form shall be supplied to the applicant by the eligible carrier.

LINK-UP AND LIFELINE RATE ASSISTANCE CERTIFICATION

Name _____ SSN _____
 Address _____

 City _____ State _____ Zip _____
 Phone Number where you may be reached or receive messages (____) _____

Please answer the following questions (indicate by check mark):

1. By filling out this application I (the applicant) request:
 - Low-income telephone connection assistance (Line-Up) and/or
 - Low-income telephone Lifeline assistance.
2. Have you received Link-Up assistance at the above address in the past?
 - Yes
 - No

If the answer is "yes", you are not eligible for Link-Up assistance.
3. Are you participating in any of the following programs?
 - Medicaid (e.g., Title XIX/Medical, State Supplemental Assistance)
 - Food stamps
 - Supplemental Security Income
 - Federal Public Housing Assistance Section 8
 - Low-income Home Energy Assistance Program
 - Temporary Assistance to Needy Families
 - National School Lunch Program's free lunch program
4. Is your income at or below 135 percent of the Federal Poverty Guidelines?
 - Yes
 - No

SAC: 361404
State: Iowa
Harmony Telephone Company
Form 481 Line No.: 1210 Terms and Conditions of Voice Telephony Lifeline

I understand completion of this application does not constitute immediate acceptance into these programs. I agree to notify the telecommunications carrier if I cease to participate in any of the public assistance programs I checked above or if my income becomes greater than 135 percent of the Federal Poverty Guidelines.

I certify under penalty of perjury the above information is true. I have read the information on this application and understand I must meet the above qualifications to receive assistance from these programs.

SIGNATURE _____ DATE _____

39.3(5) Data collection. Eligible carriers shall keep records of the number of subscribers receiving Link-Up and Lifeline assistance. Each eligible carrier must keep accurate records of the revenues it forgoes in providing Lifeline and Link-Up. The board requires that the carrier file information with the federal administrator demonstrating the carrier's Lifeline and Link-Up plans meet the federal criteria, indicating the number of qualifying low-income consumers, and stating there are no state contributions.

In addition, eligible carriers shall mail each year to Lifeline and Link-Up subscribers the verification form set out below (or another form that requests the same information), in a sample size consistent with the formulas and table set forth in Appendix J of In the Matter of Lifeline and Link-Up, Report and Order and Further Notice of Proposed rulemaking, WC Docket No. 03-109, Release No. 04-87, 199 FCC Rcd 8302 (April 29, 2004). Subscribers who receive the verification form should be selected at random. Eligible carriers shall then verify on their annual report that they have performed the required verification.

LINK-UP AND LIFELINE RATE ASSISTANCE VERIFICATION

Failure to return this verification within 30 days may cause you to no longer be eligible for this subsidy.

Name _____ SSN _____

Address _____

City _____ State _____ Zip _____

I am currently receiving low-income monthly telephone bill assistance (Lifeline) at the following:

Phone Number: _____

Address: _____

I am currently participating in the following program(s):

- Medicaid (e.g., Title XIX/Medical, State Supplemental Assistance);
- Food stamps;
- Supplemental Security Income;
- Federal Public Housing Assistance Section 8;
- Low-income Home Energy Assistance Program;
- Temporary Assistance to Needy Families;
- National School Lunch Program's free lunch program; or
- My income is at or below 135 percent of the Federal Poverty Guidelines.

SAC: 361404
State: Iowa
Harmony Telephone Company
Form 481 Line No.: 1210 Terms and Conditions of Voice Telephony Lifeline

I agree to notify the telecommunications carrier if I cease to participate in any of the public assistance program I checked above or if my income becomes greater than 135 percent of the Federal Poverty Guidelines.

I certify under penalty of perjury the above information is true. I have read the information on this application and understand I must meet the above qualifications to receive assistance from these programs.

SIGNATURE _____ DATE _____

39.3(6) Customer notification.

a. Eligible carriers shall inform all persons ordering new or transferring existing residential service of the Link-Up and Lifeline assistance programs and shall inquire whether the customer wants to have further information concerning the programs provided, unless it is apparent that the customer would not be eligible.

b. The eligible carrier shall provide informational brochures and application forms to the county offices of the Iowa department of human services, division of community services for the counties served, to the area agency on aging, and to the community action offices of the department of human rights for the region served. In counties or regions served by more than one eligible carrier, the carriers are encouraged to cooperate in providing the brochures and forms jointly.

c. The eligible carriers shall pursue media coverage of the Link-Up and Lifeline assistance programs. This may include advertising where appropriate.

REDACTED – FOR PUBLIC INSPECTION

REDACTED:

Harmony Telephone Company

Financial Data 2013

REDACTED – FOR PUBLIC INSPECTION