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PO Box 1030  
Fruitland, ID 83619

IDAHO PUBLIC  
UTILITIES COMMISSION

GNR-T-12-06

June 22, 2012

Ms. Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
Boise, ID 83720

**RE: State Certification of Farmers Mutual Telephone Company, Inc. in Idaho for Federal Universal Service Support**

Dear Ms. Jewell,

Farmers Mutual Telephone Company, Inc. ("the Company" or "Farmers") hereby requests certification by Idaho Public Utilities Commission ("Commission") to the Federal Communications Commission ("FCC") and the Universal Service Administrative Corporation ("USAC") for universal service support, in accordance with 47 U.S.C. 254(e). Farmers, Study Area Code 472221, is a rural incumbent local exchange carrier (ILEC) as designated by the FCC, and is eligible to receive federal universal service high-cost support pursuant to the Code of Federal Regulations ("CFR"), Title 47, Sections 54.301, 54.305, and Part 36, sub-part F.

In accordance with the PUC's order No. 29841 in case No. WST-T-05-1, Farmers submits the following information in support of this request.

### **Section 1: Eligible Telecommunication Carrier Information**

Date of ETC Annual Report: July 2, 2012

Company Name: Farmers Mutual Telephone Company, Inc.

Address: 319 SW 3<sup>rd</sup> St  
Fruitland, ID 83619

Company Contact Person/Title: Daniel E. Greig, General Manager

Telephone Number: 208.452.2000

Email Address: Dan@fmtc.com

Service Area Code (SAC): 472221

Number of Idaho Telephone Service Assistance Program (ITSAP) recipients: 118

# **ELIGIBLE TELECOMMUNICATIONS CARRIER (ETC) ANNUAL RE-CERTIFICATION**

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## **Section 2: Description of Carrier's Local Usage Plan-- Competitive Eligible Telecommunications Carrier (CETC) Only**

*ETC applicants must demonstrate that their usage plan is comparable to the ILEC(s) in the service areas for which it seeks designation. C.F.R. § 54.202(a)(4). Local Usage Plan may be a descriptive narrative of the carrier's basic usage plan or it may be a copy of ILEC(s) tariff sheets as filed with the Idaho Public Utilities Commission.*

N/A - Farmers is not a CETC carrier

## **Section 3: Detailed Outage Information §54.313(a)(2)**

*Provide detailed information on any outage, as that term is defined in 47 C.F.R. § 4.5, of at least thirty (30) minutes in duration for each service area in which an ETC is designated for any facilities it owns, operates, leases or otherwise uses that potentially affect (a) at least ten percent of the end users served in a designated service area; or (b) a 9-1-1 special facility, as defined in 47 C.F.R. § 4.5(e). Specifically, the annual report must include information detailing: (a) the date and time of onset of the outage; (b) a brief description of the outage and its resolution; (c) the steps taken to prevent a similar situation in the future; and (f) the number of customers affected. Reporting period is January 1, 2011—December 31, 2011. See Order No. 29841, page 18.*

Number of outages: None

Additional outage information: N/A

## **Section 4: Unfulfilled Service Requests §54.313(a)(3)**

*Provide the number of requests for service from potential customers within the ETC's service area(s) that were unfulfilled in the previous year (January 1, 2011—December 31, 2011). The ETC shall also detail how it attempted to provide service to those potential customers. See Order No. 29841, page 19.*

The number of unfulfilled service requests from potential customers within the ETC's service area: None

Additional information: N/A

## **Section 5: Customer Complaints §54.313(a)(4)**

*Provide the number of complaints per 1,000 handsets or lines for the previous year (January 1, 2011—December 31, 2011)*

The number of customer complaints per 1,000 handset or working access lines: None

Additional information: N/A

## **Section 6: Service Quality and Consumer Protection Certification**

### **§54.313(a)(5)**

*Provide certification that the carrier is complying with applicable service quality standards and consumer protection rules.*

Farmers certifies that it is in compliance with the applicable service quality standards and consumer protection rules of the FCC and the Idaho Public Utilities Commission. Please see the attached affidavit of corporate officer. Farmers is devoted to providing high-quality service to our customers, including prompt, responsive, and thorough customer service.

## **Section 7: Ability to Remain Functional in Emergencies Certification**

### **§54.313(a)(6)**

*ETCs must demonstrate that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to re-route traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.*

Farmers is well suited to remain functional during emergencies, or in response to damaged facilities, or spikes in network traffic. Farmers has taken significant steps to ensure that its network will remain functional without an external power source. Farmers has a backup power generator at each of its central offices.

## **Section 8: Federal USF High-Cost Support Certification §54.313, §54.314**

*Pursuant to FCC regulations, in order for ETCs to continue to receive federal USF, the Commission "must file an annual certification with the USAC and the [FCC] stating that all federal high-cost support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."*

NOTE: See "Example A" Affidavit of Business or Corporate Officer for the above certification requirements.

Example A

State of Idaho )  
 ) ss  
County of Payette )

CERTIFICATION BY ELIGIBLE TELECOMMUNICATIONS CARRIER  
OF COMPLIANCE WITH SERVICE QUALITY AND CUSTOMER  
PROTECTION, ABILITY TO REMAIN FUNCTIONAL IN EMERGENCIES,  
AND USE OF FEDERAL HIGH-COST SUPPORT.

AFFIDAVIT OF BUSINESS OR CORPORATE OFFICER

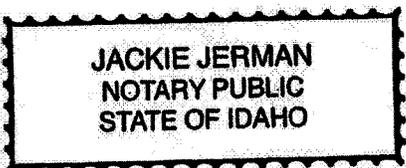
The Idaho Public Utilities Commission Order No. 29841 requires that Eligible Telecommunications Carriers certify that it is compliant with applicable service quality standards and consumer protection rules; and ETCs must demonstrate the ability to remain functional in emergencies. In addition, the Commission must file an annual certification with the USAC and the FCC that all federal high-cost support provided to ETCs within the State of Idaho will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Accordingly, the undersigned states and verifies under oath the following:

1. I am an officer of Farmers Mutual Telephone Company in Idaho, which is an eligible telecommunications carrier for receiving federal universal service support under section 214(e) of the Telecommunications Act of 1996 in the state of Idaho.
2. I am familiar with the Company's day-to-day operations in the state of Idaho and with the State's service quality standards and consumer protection rules as set forth in Commission Order No. 29841.
3. Farmers Mutual Telephone Company is complying with applicable service quality standards and consumer protection rules of the Federal Communications Commission and the Idaho Public Utilities Commission.
4. I certify to the Commission that the Company is able to remain functional in emergencies as set forth in Commission Order No. 29841 and in 47 C.F.R. § 54.201(a)(2).
5. I also certify that all federal universal service support funds received by Farmers Mutual Telephone Company during the current calendar year will be used in a manner consistent with section 254(e); that is, for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The company will continue to comply for the period of January 1, 2013, through December 31, 2013, to be eligible for federal universal service fund support.
6. This verification and affidavit is provided to be the Idaho Public Utilities Commission to enable the IPUC to certify to the FCC that federal universal service support received by the eligible carriers in the state will be used in a manner consistent with Section 254(e) of the Telecommunications Act.

Daniel E. Greig  
Daniel E. Greig, General Manager

6/22/2012  
Date

SUBSCRIBED AND SWORN to before me this 22 day of ~~August~~ <sup>June</sup> 2012



Jackie Jerman  
Notary Public for Idaho, residing at Payette County  
My Commission expires 10-25-12

## **Section 9: Two-Year Network Improvement Plan and Progress Report**

*The annual report must include a progress report on the carrier's two-year service quality improvement plan, including maps detailing its progress toward meeting the plan targets, an explanation of how much universal service support was received and how it was used to improve signal quality, coverage, or capacity, and an explanation regarding any network improvement targets that have not been fulfilled. This information shall be submitted at the wire center level. The annual report must also include an updated two-year network improvement plan indicating plans for future investment.*

### **Two-Year Network Improvement Plan Format**

The receipt of USF funding helps ensure that Farmers' customers will continue to receive reliable, high-quality, state-of-the-art service. From July 1, 2012 to June 30, 2014, Farmers will continue to utilize USF funds to maintain, upgrade, and improve its network and cover its operating expenses as necessary to permit it to offer a high level of service to its customers. The following is a description of how USF funds have been and will be employed for each of Farmers' two wire centers:

For the period of 2011 through June 2012, Farmers' operating expenses for the entire network were \$4,973,327. During that same period, Farmers' investments and capital expenditures were \$292,432. These amounts include investments in the following projects that were intended to improve the signal quality, coverage and capacity in Farmers' exchange: (1) replace old copper facilities with FTTH (fiber to the home) (2) upgrade switching equipment technology; (3) line extension to new homes; (4) upgrade remote sites. The projects mentioned above cannot be specifically linked to particular funding sources. However, support from the universal service fund of \$1,254,654 in 2011 provided critical funding that, when combined with other funding sources, allowed Farmers to pursue these investments throughout the exchange.

In order to continue providing high-quality, reliable, state-of-the-art telecommunications services to customers in the Farmers exchange, Farmers will incur ongoing operating expenses, maintenance expenses, and expenses related to system upgrades and improvements. Farmers' total operating expenses from July 1, 2012 through June 30, 2014 are projected to be approximately \$6,383,738. These expenses include the amounts necessary to maintain the facilities the facilities throughout Farmers' service areas, as well as the administrative and other operating expenses required to provide service to customers each of Farmers' exchanges.

In addition to these operating expenses, Farmers expects to invest approximately \$2,480,000 from July 1, 2012 through June 30, 2014 to improve and expand its network.

Each of the aforementioned expenses and investments will be incurred to maintain and provide telecommunications services to any customer or prospective customer making a reasonable request for service within Farmers' exchanges. These expenses and investments are designed to bring high-quality, reliable voice services to customers. However, given the nature of modern telecommunications facilities, the operating

expenses and investment in Farmers' network also facilitate customers' access to broadband. Farmers' anticipated operating expenses and investments from July 1, 2012 through June 30, 2014 will allow Farmers' customers to continue to benefit from high-quality, reliable, state-of-the-art services to customers, including those in Farmers' exchanges.

The capital investment and operating expenses outlined above cannot be specifically linked to particular funding sources. However, high-cost support from the USF will provide critical funding that, when combined with other funding sources, will cover Farmers' operating expenses incurred in providing service throughout the exchange.

## **Section 10: ETC References and Reporting Instructions**

### **ETC Designation, Reporting, and Certification Requirements.**

#### **Statutory Designation Requirements:**

1. Common Carrier—ETC applicant must be a “common carrier” as defined in 47 U.S.C. § 153(10).
2. Provide the Universal Services set forth in 47 C.F.R. § 54.101(a).
3. Lifeline Advertisement. See 47 U.S.C. § 214(e)(1)(B).
4. Public Interest. See 47 C.F.R. § 54.202(c).
  - For over 100 years, Farmers has provided high-quality telecommunications service that promotes the public interest, convenience, and necessity. Farmers is dedicated to meeting its customers' needs for reliable, state-of-the-art telecommunications services. Farmers will continue to direct resources to maintaining the high quality of service provided by its existing network, and by its existing processes. In light of Farmers' longstanding record of outstanding past service, and its plans to continue upgrading, improving, and maintaining its network for the benefit of its customers, there is no doubt that Farmers' status as an ETC is consistent with the public interest, convenience, and necessity.
5. Tribal Notification. See 47 C.F.R. § 54.202(d).
  - Farmers' service territory does not include tribal lands, as such, this requirement is inapplicable.

#### **Additional Eligibility Requirements (Commission Order No. 29841):**

1. The Commitment and Ability to Provide Supported Services.
  - Provide service on a timely basis to requesting customers within Farmers' service area where Farmers' network already passes the potential customer's premises.

- Provide service within a reasonable period of time, if the potential customer is within Farmers' licensed service area but outside its existing network coverage, if service can be provided at reasonable cost, and in accordance with Farmers' policies. Service will be extended to these potential customers using the technological mechanisms that are most appropriate given the type of service that Farmers is providing, and in light of the features of Farmers' existing network.
- Farmers advertise the availability of its service offerings using media of general distribution such as the Internet, newspaper, coupon mailings, brochures and billboards. [Examples will be furnished upon request]

2. The Ability to Remain Functional in Emergencies.
3. A Commitment to Consumer Protection and Service. Wireline companies must follow Idaho Customer Relation Rules IDAPA 31.41.01. Wireless companies must agree and comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service (CTIA Code).
4. Description of a local usage plan comparable to that of the Incumbent local exchange carrier.

Reporting Requirements (Commission Order No. 29841):

1. Two-Year Network Improvement Plan & Progress Report (July 1, 2012—June 30, 2014)
2. Outages
3. Unfulfilled Service Requests
4. Customer Complaints
5. Service Quality and Consumer Protection certification
6. Ability to remain functional in an emergency certification

Use of Federal High Cost Fund Certification Requirement

## **References and Filing Instructions**

**Links:**

FCC Report and Order 05-46

Idaho Commission Order No. 29841

Idaho Telephone Customer Relations Rules: IDAPA 31.41.01

IPUC Rules of Procedure: Information Exempt From Public Review—Definitions—  
Form—Procedures.

**Instructions:**

Company documents and forms may be attached to comply with any of the reporting sections.

To comply with the certification requirements, the company may use the sample affidavit attached as "Example A" or one of its own. The affidavit must certify the company's: 1) appropriate use of federal universal support funds, 2) compliance with service quality and customer protection provisions, and, 3) ability to remain functional in an emergency.

**Due Date:**

September 1 of each year. The 2011 report is due by 5PM, MDT on **July 2, 2012.**

**Submit one (1) copy to:**

Idaho Public Utilities Commission  
Commission Secretary  
472 W. Washington  
PO Box 83720  
Boise, Idaho 83720-0074

**Or email to:**

[jean.jewell@puc.idaho.gov](mailto:jean.jewell@puc.idaho.gov)

**Questions/Comments:**

Grace Seaman  
IPUC Utilities Analyst  
Phone: 208.334.0352  
FAX: 208.334.3762  
Email: [grace.seaman@puc.idaho.gov](mailto:grace.seaman@puc.idaho.gov)

**Rate Floor Data Collection - OMB Control Number 3060-0986**

**Block 1 - Contact Information**

<b>ROW #</b>	<b>DATA ELEMENT</b>	<b>FORMAT OF REQUESTED DATA</b>	<b>RESPONSE</b>
1	Carrier Study Area Code	6 numeric digits	472221
2	Carrier Study Area Name	alpha characters	FARMERS MUTUAL TEL CO LTD. - ID
3	Service Provider Identification Number	9 numeric digits	143002514
4	Residential Local Service Charge Effective Date	mm/dd/yyyy	06/01/2012
5	Contact Name	alpha characters	Greig, Daniel E
6	Contact Telephone Number (include area code)	9 numeric digits	208-452-2000
7	Sheet Number	numeric digit(s)	
8	Total Number of Sheets	numeric digit(s)	

**Block 2 - Residential Local Service Rates, Fees and Line Counts**

	<b>Column 1 Residential Local Service Charge</b>	<b>Column 2 State Subscriber Line Charge</b>	<b>Column 3 State Universal Service Fee</b>	<b>Column 4 Mandatory Extended Area Service Charge</b>	<b>Column 5 Loops</b>
9	0.00	0.00	0.00	0.00	0