

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

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

| | |
|--|---------------------|
| <010> Study Area Code | 391405 |
| <015> Study Area Name | HILLS TEL CO-SD |
| <020> Program Year | 2016 |
| <030> Contact Name: Person USAC should contact with questions about this data | Kari J. Flanagan |
| <035> Contact Telephone Number: Number of the person identified in data line <030> | 6055948228 ext. |
| <039> Contact Email Address: Email of the person identified in data line <030> | karif@alliance.coop |

| | | |
|--|----------------------------|----------------------------|
| ANNUAL REPORTING FOR ALL CARRIERS | 54.313 | 54.422 |
| | Completion Required | Completion Required |

| | | | <i>(check box when complete)</i> | |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| <100> Service Quality Improvement Reporting | <i>(complete attached worksheet)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <200> Outage Reporting (voice) | <i>(complete attached worksheet)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <210> <input type="checkbox"/> <-- check box if no outages to report | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <300> Unfulfilled Service Requests (voice) | <input type="text" value="0"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <310> Detail on Attempts (voice) | <div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <320> Unfulfilled Service Requests (broadband) | <input type="text" value="0"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <330> Detail on Attempts (broadband) | <div style="border: 1px solid black; height: 40px; width: 100%;"></div> <i>(attach descriptive document)</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <400> Number of Complaints per 1,000 customers (voice) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <410> Fixed | <input type="text" value="0.0"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <420> Mobile | <input type="text" value="0.0"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <430> Number of Complaints per 1,000 customers (broadband) | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <440> Fixed | <input type="text" value="0.0"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <450> Mobile | <input type="text" value="0.0"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <500> Service Quality Standards & Consumer Protection Rules Compliance | <i>(check to indicate certification)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <510> <div style="border: 1px solid black; padding: 2px;">391405SD510.pdf</div> | <i>(attached descriptive document)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <600> Functionality in Emergency Situations | <i>(check to indicate certification)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <610> <div style="border: 1px solid black; padding: 2px;">391405SD610.pdf</div> | <i>(attached descriptive document)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <700> Company Price Offerings (voice) | <i>(complete attached worksheet)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <710> Company Price Offerings (broadband) | <i>(complete attached worksheet)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <800> Operating Companies and Affiliates | <i>(complete attached worksheet)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <900> Tribal Land Offerings (Y/N)? | <input type="radio"/> <input checked="" type="radio"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1000> Voice Services Rate Comparability Certification | <input type="text" value="Yes"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1010> <div style="border: 1px solid black; height: 40px; width: 100%;"></div> | <i>(attach descriptive document)</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1100> Certify whether terrestrial backhaul options exist (Yes or No) | <input checked="" type="radio"/> <input type="radio"/> <i>(if not, check to indicate certification)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1110> | <i>(complete attached worksheet)</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1200> Terms and Condition for Lifeline Customers | <i>(complete attached worksheet)</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

| | | | |
|--|--|--------------------------|-------------------------------------|
| <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i> | | | |
| <2000> | <i>(check to indicate certification)</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <2005> | <i>(complete attached worksheet)</i> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

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

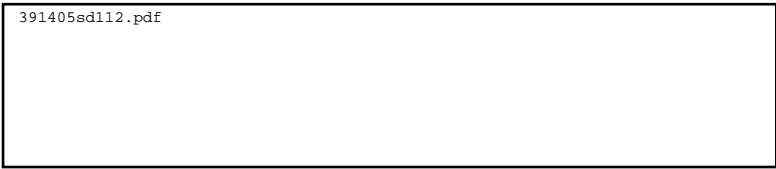
| | |
|---|--|
| (100) Service Quality Improvement Reporting Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
|---|--|

| | |
|---|---------------------|
| <010> Study Area Code | 391405 |
| <015> Study Area Name | HILLS TEL CO-SD |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

| | |
|---|---|
| <110> Has your company received its ETC certification from the FCC? | (yes / no) <input type="radio"/> <input checked="" type="radio"/> |
| 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 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 CETC which only receives frozen support, your progress report is only required to address voice telephony service.



Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) 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 | Yes |
| <114> Report how much universal service (USF) support was received | Yes |
| <115> How much (USF) was used to improve service quality and how support was used to improve service quality | Yes |
| <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage | Yes |
| <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity | Yes |
| <118> Provide an explanation of network improvement targets not met in the prior calendar year. | Not Applicable |

| |
|----------------|
| Yes |
| Yes |
| Yes |
| Yes |
| Yes |
| Not Applicable |

| | |
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| (200) Service Outage Reporting (Voice) 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 | 391405 |
| <015> | Study Area Name | HILLS TEL CO-SD |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

| <220> | <a> | <b1> | <b2> | <b3> | <b4> | <c1> | <c2> | <d> | <e> | <f> | <g> | <h> |
|------------------------------|-------------------|-------------------|-----------------|-----------------|------------------------------|---------------------------|------------------------------------|---|--|---------------------------|-------------------------|-----|
| NORS Reference Number | Outage Start Date | Outage Start Time | Outage End Date | Outage End Time | Number of Customers Affected | Total Number of Customers | 911 Facilities Affected (Yes / No) | Service Outage Description (Check all that apply) | Did This Outage Affect Multiple Study Areas (Yes / No) | Service Outage Resolution | Preventative Procedures | |
| -- See attached worksheet -- | | | | | | | | | | | | |
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**(700) Price Offerings including Voice Rate Data
Data Collection Form**

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

<010> Study Area Code 391405
 <015> Study Area Name HILLS TEL CO-SD
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data Kari J. Flanagan
 <035> Contact Telephone Number - Number of person identified in data line <030> 6055948228 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> karif@alliance.coop

<701> Residential Local Service Charge Effective Date

| |
|----------|
| 1/1/2015 |
|----------|

 <702> Single State-wide Residential Local Service Charge

| |
|------|
| 16.0 |
|------|

| <703> | <a1> | <a2> | <a3> | <b1> | <b2> | <b3> | <b4> | <b5> | <c> |
|-------|-------|-----------------|------------|-----------|--------------------------------|------------------------------|-----------------------------|--|-------------------------------|
| | State | Exchange (ILEC) | SAC (CETC) | Rate Type | Residential Local Service Rate | State Subscriber Line Charge | State Universal Service Fee | Mandatory Extended Area Service Charge | Total per line Rates and Fees |
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-- See attached worksheet

| | |
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| (710) Broadband Price Offerings Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
|---|--|

| | |
|---|---------------------|
| <010> Study Area Code | 391405 |
| <015> Study Area Name | HILLS TEL CO-SD |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

| <711> | <a1> | <a2> | <b1> | <b2> | <c> | <d1> | <d2> | <d3> | <d4> |
|-------|-------|-----------------|------------------|----------------------|---------------------|---|---|----------------------|--|
| | State | Exchange (ILEC) | Residential Rate | State Regulated Fees | Total Rate and Fees | Broadband Service - Download Speed (Mbps) | Broadband Service - Upload Speed (Mbps) | Usage Allowance (GB) | Usage Allowance Action Taken When Limit Reached <i>{select }</i> |
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-- See attached worksheet --

**(800) Operating Companies
Data Collection Form**

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

| | | |
|-------|---|---|
| <010> | Study Area Code | 391405 |
| <015> | Study Area Name | HILLS TEL CO-SD |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |
| <810> | Reporting Carrier | Alliance Communications Cooperative, Inc. |
| <811> | Holding Company | Alliance Communications Cooperative, Inc. |
| <812> | Operating Company | Alliance Communications Cooperative, Inc. |

| <813> | <a1> | <a2> | <a3> |
|-------|------------------------------|------|--|
| | Affiliates | SAC | Doing Business As Company or Brand Designation |
| | | | |
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| | -- See attached worksheet -- | | |
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**(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 | 391405 |
| <015> | Study Area Name | HILLS TEL CO-SD |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

<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 or No or Not Applicable |
|--|
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| (1100) No Terrestrial Backhaul 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 | 391405 |
| <015> | Study Area Name | HILLS TEL CO-SD |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) 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. 3060-0986/OMB Control No. 3060-0819 July 2013 |
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| | | |
|-------|---|---------------------|
| <010> | Study Area Code | 391405 |
| <015> | Study Area Name | HILLS TEL CO-SD |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

391405SD1210.docx

Name of Attached Document

<1220> Link to Public Website

HTTP <https://www.alliancecom.net/support/forms/lifeline-form>

“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 <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i> | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013 |
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| <010> Study Area Code | 391405 |
| <015> Study Area Name | HILLS TEL CO-SD |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Karl J. Planagan |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | karlf@alliance.coop |

Select the appropriate responses below (Yes, No, Not Applicable) 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)i}
- <2011a> 3rd Year Certification {47 CFR § 54.313(b)(1)ii}
- <2011b> Attachment {47 CFR § 54.313(b)(1)iii}

Name of Attached Document(s) Listing Required Information

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

- <2012> 2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}
- <2013> 2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}
- <2014> 2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}
- <2015> 2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}

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(s) Listing Required Information

| | |
|---|---|
| (3000) Rate Of Return Carrier Additional Documentation | FCC Form 481 |
| Data Collection Form | OMB Control No. 3060-0986/OMB Control No. 3060-0819 |
| | July 2013 |

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| <010> Study Area Code | 391405 |
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| <035> Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

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

391405sd3010.docx

Name of Attached Document Listing Required Information

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

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

391405sd3012.docx

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (Yes/No)

(3014) If yes, does your company file the RUS annual report (Yes/No)

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

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

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

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

391405sd3017.pdf

Name of Attached Document Listing Required Information

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

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

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

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

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

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

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

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

(3024) Underlying information subjected to an officer certification.

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

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

| | |
|---|---|
| (3000) Rate Of Return Carrier Additional Documentation (Continued) | FCC Form 481 |
| Data Collection Form | OMB Control No. 3060-0986/OMB Control No. 3060-0819 |
| | July 2013 |

| | |
|---|---------------------|
| <010> Study Area Code | 391405 |
| <015> Study Area Name | HILLS TEL CO-SD |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

Financial Data Summary

| | |
|---|------------|
| (3027) Revenue | [REDACTED] |
| (3028) Operating Expenses | [REDACTED] |
| (3029) Net Income | [REDACTED] |
| (3030) Telephone Plant In Service(TPIS) | [REDACTED] |
| (3031) Total Assets | [REDACTED] |
| (3032) Total Debt | [REDACTED] |
| (3033) Total Equity | [REDACTED] |
| (3034) Dividends | [REDACTED] |

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

| | |
|---|---------------------|
| <010> Study Area Code | 391405 |
| <015> Study Area Name | HILLS TEL CO-SD |
| <020> Program Year | 2016 |
| <030> Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

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: | HILLS TEL CO-SD |
| Signature of Authorized Officer: | CERTIFIED ONLINE Date 06/24/2015 |
| Printed name of Authorized Officer: | Kari Flanagan |
| Title or position of Authorized Officer: | CFO |
| Telephone number of Authorized Officer: | 6055948228 ext. |
| Study Area Code of Reporting Carrier: | 391405 Filing Due Date for this form: 07/01/2015 |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

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

| | | |
|-------|---|---------------------|
| <010> | Study Area Code | 391405 |
| <015> | Study Area Name | HILLS TEL CO-SD |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

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 | |
|---|--------------------------------|
| <p>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.</p> | |
| 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: |
| <small>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.</small> | |

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 | |
|---|--------------------------------|
| <p>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.</p> | |
| 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: |
| <small>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.</small> | |

Attachments

**(710) Broadband Price Offerings
Data Collection Form**

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

| | | |
|-------|---|---------------------|
| <010> | Study Area Code | 391405 |
| <015> | Study Area Name | HILLS TEL CO-SD |
| <020> | Program Year | 2016 |
| <030> | Contact Name - Person USAC should contact regarding this data | Kari J. Flanagan |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 6055948228 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | karif@alliance.coop |

| <711> | <a1> | <a2> | <b1> | <b2> | <c> | <d1> | <d2> | <d3> | <d4> |
|-------|-------|--------------------------|------------------|----------------------|----------------------|---|---|----------------------|--|
| | State | Exchange (ILEC) | Residential Rate | State Regulated Fees | Total Rates and Fees | Broadband Service - Download Speed (Mbps) | Broadband Service - Upload Speed (Mbps) | Usage Allowance (GB) | Usage Allowance Action Taken When Limit Reached {select} |
| | MN | 507-755 E Valley Springs | 14.95 | 0.0 | 14.95 | 0.512 | 0.256 | 999999.0 | Other, No Limit on Usage Allowance |
| | MN | 507-755 E Valley Springs | 29.95 | 0.0 | 29.95 | 3.0 | 1.5 | 999999.0 | Other, No Limit on Usage Allowance |
| | MN | 507-755 E Valley Springs | 34.95 | 0.0 | 34.95 | 10.0 | 1.5 | 999999.0 | Other, No Limit on Usage Allowance |
| | MN | 507-755 E Valley Springs | 44.95 | 0.0 | 44.95 | 15.0 | 1.5 | 999999.0 | Other, No Limit on Usage Allowance |
| | MN | 507-755 E Valley Springs | 59.95 | 0.0 | 59.95 | 20.0 | 3.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | MN | 507-755 E Valley Springs | 79.95 | 0.0 | 79.95 | 30.0 | 5.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | MN | 507-755 E Valley Springs | 139.95 | 0.0 | 139.95 | 50.0 | 10.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | MN | 507-755 E Valley Springs | 159.95 | 0.0 | 159.95 | 50.0 | 20.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | MN | 507-755 E Valley Springs | 179.95 | 0.0 | 179.95 | 100.0 | 15.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | MN | 507-755 E Valley Springs | 199.95 | 0.0 | 199.95 | 100.0 | 25.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 14.95 | 0.0 | 14.95 | 0.512 | 0.256 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 29.95 | 0.0 | 29.95 | 3.0 | 1.5 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 34.95 | 0.0 | 34.95 | 10.0 | 1.5 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 44.95 | 0.0 | 44.95 | 15.0 | 1.5 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 59.95 | 0.0 | 59.95 | 20.0 | 3.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 79.95 | 0.0 | 79.95 | 30.0 | 5.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 139.95 | 0.0 | 139.95 | 50.0 | 10.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 159.95 | 0.0 | 159.95 | 50.0 | 20.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 179.95 | 0.0 | 179.95 | 100.0 | 15.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-464 N Larchwood | 199.95 | 0.0 | 199.95 | 100.0 | 25.0 | 999999.0 | Other, No Limit on Usage Allowance |
| | SD | 605-757 Valley Springs | 14.95 | 0.0 | 14.95 | 0.512 | 0.256 | 999999.0 | Other, No Limit on Usage Allowance |

REDACTED – FOR PUBLIC INSPECTION

(391405) Alliance Communications Cooperative, Inc.-Hills, SD

Year 2014 Federal Universal Service Receipts:

| | | |
|-----------------------------------|----|--|
| Interstate Access Support | \$ | |
| Interstate Common Line Support | \$ | |
| Connect America Fund Support | \$ | |
| High Cost Loop Support | \$ | |
| Safety Net Additive Support | \$ | |
| Safety Valve Loop Cost Adjustment | \$ | |
| CAF-ICC | \$ | |
| TOTAL | \$ | |

Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:

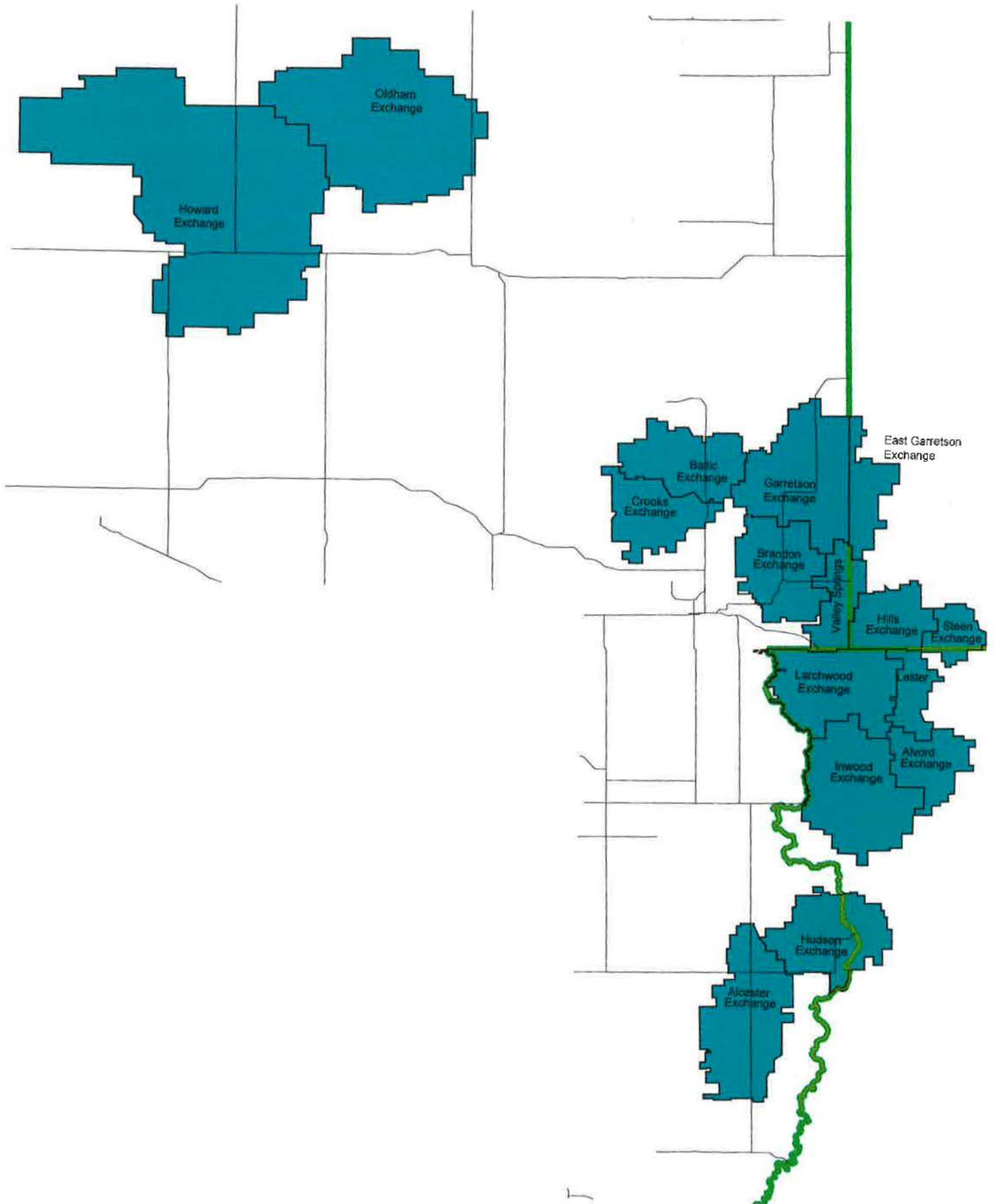
| | | <u>Actual</u> 2014 |
|--|----|-----------------------|
| Plant Specific Operations Expenses | | |
| Network support (Accts 6110-16) | \$ | |
| General support (Accts 6120-24) | \$ | |
| Central office (Accts 6210-6232) | \$ | |
| Cable and wire facilities (Accts 6410-41) | \$ | |
| Network operations (Accts 6530-35) | \$ | |
| Depreciation and amortization (Accts 6560-65) | \$ | |
| Customer Operations Expenses | | |
| Customer services (Accts 6611-23) | \$ | |
| Corporate Operations Expenses | | |
| Executive and planning (Accts 6710-12) | \$ | |
| General and administrative (Accts 6720-28) | \$ | |
| Total Years Supported Expenses, Before Return on Investment | \$ | |
| Additions/Capx | | |
| Transmission Equipment (Acct 2230) | \$ | |
| Cable and wire (Acct 2410) | \$ | |
| Total | \$ | |
| Total Supported Expenditures, Before Return on Investment | \$ | |

It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service coverage* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network as of July 1, 2015 Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service coverage in 2015.

It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network at speeds that meet or exceed 10Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service capacity in 2015.

Alliance Communications Cooperative, Inc. - Study Areas 391642, 351405, 361405, 391405, 391657



**ALLIANCE COMMUNICATIONS COOPERATIVE, INC.
FOR STUDY AREAS 391657, 391642, 391405, 361405, AND 351405 IN SD, IA, MN**

**Certification of Compliance with Applicable Service Quality Standards and
Consumer Protection Rules for Voice and Broadband Services**

Service quality standards and consumer protection rules for broadband are not as defined as the rules for voice services. The Company complies with any service quality standards and consumer protection rules for broadband that are out there now and any that will be defined in the future.

Service Quality Standards

For voice services, the Company:

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911.
- Provides toll blocking and toll limitation services.

For voice and broadband services, the Company:

- Advertises the availability of its services and the charges using media of general distribution and/or on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone call or toll-free telephone number during business hours.
- Directs after hour calls to the Company's help desk.
- Directs trouble reports to the on-call technician.
- Tracks all service orders to ensure they are completed in a timely manner.
- Measures its service connection and service interruption performance on a regular basis.
- Trains employees to:
 - Answer all incoming calls promptly.
 - Respond to all inquiries for information promptly and courteously.
 - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints.
 - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times.
- Meets or exceeds the standards established by the state commission and provides any reports required in accordance with the state commission's rules.

Consumer Protection Rules

The Company has established operating procedures designed to facilitate compliance with applicable consumer protection rules which include compliance with the Customer Proprietary Network Information (CPNI) rules. The operating procedures include:

- Appointment of a compliance officer.
- A manual detailing the specific procedures for protecting consumer information.
- Employee training on an annual basis.
- A disciplinary process for improper use of consumer information. If complaints are filed with the Company regarding consumer protection rules, the complaint is immediately investigated, the matter tracked and any corrective action noted. This process ensures that problems are addressed and corrections made.

SAC: 391657, 391642, 351405, 391405

States: IA and SD

Alliance Communications Cooperative, Inc.

Form 481 Line No.: 610 Description of Functionality in Emergency Situations

Alliance Communications Cooperative, Inc. has:

- Established reasonable provisions' to meet emergencies resulting from failures of lighting or power service, sudden and prolonged increases in traffic, illness of operators or from fire, storm, or acts of God including provisions for emergency power that meet or exceed the rule requirement to provide:
 - A minimum of four hours of battery service in each central office.
 - A permanently installed power unit in exchanges exceeding 5000 lines.
 - Mobile power units that can be delivered on short notice and which can be readily connected in offices without installed emergency power facilities.
 - All fiber and inter-exchange routes are ringed for voice and data traffic.
 - Switching and transport capacity of the network is able to support an average of 20 customer lines per toll trunk based on the call volume and geographical distance of the area to the nearest metropolitan area. The network is able to handle all call volume with no blocked calls during traffic spikes.

- Has informed employees as to the procedures to be followed, including reasonable rerouting of traffic around damaged facilities and the deployment of emergency power, in the event of emergency in order to prevent or mitigate interruption or impairment of telecommunications service.

State: MN

Alliance Communications Cooperative, Inc.

Form 481 Line No.: 610 Description of Functionality in Emergency Situations

Alliance Communications Cooperative, Inc. pursuant to MN Rule "7810.399 Emergency Operations" has:

- Established reasonable provisions' to meet emergencies resulting from failures of lighting or power service, sudden and prolonged increases in traffic, illness of operators or from fire, storm, or acts of God including provisions for emergency power that meet or exceed the rule requirement to provide:
 - A minimum of four hours of battery service in each central office.
 - A permanently installed power unit in exchanges exceeding 5000 lines.
 - Mobile power units that can be delivered on short notice and which can be readily connected in offices without installed emergency power facilities.
 - All fiber and inter-exchange routes are ringed for voice and data traffic.
 - Switching and transport capacity of the network is able to support an average of 20 customer lines per toll trunk based on the call volume and geographical distance of the area to the nearest metropolitan area. The network is able to handle all call volume with no blocked calls during traffic spikes.
- Has informed employees as to the procedures to be followed, including reasonable rerouting of traffic around damaged facilities and the deployment of emergency power, in the event of emergency in order to prevent or mitigate interruption or impairment of telecommunications service.

ALLIANCE COMMUNICATIONS COOPERATIVE, INC.**Lifeline Terms and Conditions**

Alliance Communications Cooperative, Inc. offers Lifeline program-supported service to qualified low-income residential consumers. The federal Lifeline and Minnesota Telephone Assistance Plan (TAP) programs provide monthly telephone service discounts on one telephone line or wireless telephone per household to eligible low-income consumers to help them establish and maintain telephone service by lowering the cost of basic, monthly local telephone service. The federal Lifeline monthly discount is typically between \$8 and \$10. The TAP provides an additional \$2.50 monthly discount on local telephone service. In addition, the Federal Universal Service Charge is not assessed to consumers participating in Lifeline. Long distance blocking (either toll limitation or toll blocking) is available to eligible Lifeline consumers at no cost. Consumers who are eligible for Minnesota Telephone Discounts for landline service do not have to pay a deposit if they agree to block long distance service.

Lifeline Program Eligibility Information**Program Based Eligibility**

Consumers are eligible for Lifeline if they, one of their dependents or their household participate in one of the following qualifying assistance programs:

Minnesota Family Investment Program (MFIP)/Temporary Assistance for Needy Families (TANF)
 Low-Income Home Energy Assistance Program (LIHEAP)
 Federal Public Housing Assistance (Section 8)
 Supplemental Nutrition Assistance Program (SNAP/Food Stamps)
 Medicaid/Medical Assistance
 National School Lunch Program's Free Lunch Program
 Supplemental Security Income (SSI)

Lifeline applicants must present documentation demonstrating eligibility either through participation in one of the qualifying federal assistance programs or through income-based means.

Acceptable documentation of program-based eligibility includes: current or prior year's statement of benefits from a qualifying state, federal or Tribal program; notice letter of participation in a qualifying state, federal or Tribal program; program participation documents; or another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.

Income Based Eligibility

In addition, consumers are eligible for Lifeline if their household income is at or below 135% of the federal poverty guidelines.

2015 Federal Poverty Guidelines – 135%

| Household Size | 48 Contiguous States and D.C. | Alaska | Hawaii |
|----------------|-------------------------------|----------|----------|
| 1 | \$15,889 | \$19,872 | \$18,292 |
| 2 | \$21,505 | \$26,892 | \$24,745 |
| 3 | \$27,121 | \$33,912 | \$31,198 |
| 4 | \$32,737 | \$40,932 | \$37,651 |
| 5 | \$38,353 | \$47,952 | \$44,104 |
| 6 | \$43,969 | \$54,972 | \$50,557 |
| 7 | \$49,585 | \$61,992 | \$57,010 |

| | | | |
|---------------------------------|----------|----------|----------|
| 8 | \$55,201 | \$69,012 | \$63,463 |
| For each additional person, add | \$5,616 | \$7,020 | \$6,453 |

Acceptable documentation of income eligibility includes: prior year's state, federal or Tribal tax return; current income statement from an employer or paycheck stub; social security statement of benefits; Veterans Administration statement of benefits; retirement/pension statement of benefits; unemployment/workmen's compensation statement of benefits; federal or Tribal notice of letter participating in General Assistance; or a divorce decree or child support award or other official document containing income information.

Numbers of Minutes-of-Use Provided as Part of Lifeline Program Service

Alliance Communications Cooperative, Inc.'s Voice Lifeline service includes unlimited local minutes-of-use within the toll-free calling area. Alliance Communications Cooperative, Inc.'s Voice Lifeline Plan does not include any free minutes-of-use for toll. Toll is billed at the standard toll rate depending on which interexchange carrier the consumer subscribes to for toll service. As part of the Lifeline service, Toll blocking is available to eligible consumers at no cost.

Rates

Subscribers may receive the Lifeline credit on any type or grade of local service, including bundled services that are normally offered by Alliance Communications Cooperative, Inc.. Advertised rates do not include any applicable taxes or surcharges.

Recertification of Lifeline Eligibility

Lifeline recipients are required to recertify their eligibility annually. Failure to properly recertify a recipient's continued eligibility for the Lifeline program will result in termination of the Lifeline recipient's monthly Lifeline discount and de-enrollment from the Lifeline Program.

Additional Lifeline Program Information

The Lifeline program is limited to one benefit per household, consisting of either wireline or wireless service. A household is defined, for purposes of the Lifeline program, as an individual or group of individuals who live together at the same address and share income and expenses. Lifeline is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

Alliance Communications Cooperative, Inc.

Progress Report of 5 Year Plan – Milestone Certification

To be in compliance with the Milestone Certification of providing upon a reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream:

- Alliance Communications Cooperative, Inc. certifies that it has taken reasonable steps to provide upon a reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream with latency suitable for real-time applications, including Voice over Internet Protocol.
- The Company provides usage capacity that is reasonably comparable to comparable offerings in urban areas.
- The Company certifies that requests for such service are met within a reasonable amount of time.

Alliance Communications Cooperative, Inc.

Progress Report on 5 Year Plan – Community Anchor Institutions

Alliance Communications Cooperative, Inc. does not have any newly served community anchor institutions because all anchor institutions had broadband service available to them prior to 2014.

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

| | |
|--|---|
| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential. BORROWER NAME Alliance Communications Cooperative, Inc. (Prepared with Audited Data) |
|--|---|

| | | |
|--|---------------------------------|--------------------------------|
| INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only. | PERIOD ENDING December, 2014 | BORROWER DESIGNATION SD0526 |
|--|---------------------------------|--------------------------------|

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
 (Check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

 Don Snyders

3/28/2015
 DATE

| PART A. BALANCE SHEET | | | | | |
|---|-----------------------|--------------------------|---|-----------------------|--------------------------|
| ASSETS | BALANCE PRIOR YEAR | BALANCE END OF PERIOD | LIABILITIES AND STOCKHOLDERS' EQUITY | BALANCE PRIOR YEAR | BALANCE END OF PERIOD |
| CURRENT ASSETS | | | CURRENT LIABILITIES | | |
| 1. Cash and Equivalents | ██████████ | ██████████ | 25. Accounts Payable | ██████████ | ██████████ |
| 2. Cash-RUS Construction Fund | ██████████ | ██████████ | 26. Notes Payable | ██████████ | ██████████ |
| 3. Affiliates: | | | 27. Advance Billings and Payments | ██████████ | ██████████ |
| a. Telecom, Accounts Receivable | ██████████ | ██████████ | 28. Customer Deposits | ██████████ | ██████████ |
| b. Other Accounts Receivable | ██████████ | ██████████ | 29. Current Mat. L/T Debt | ██████████ | ██████████ |
| c. Notes Receivable | ██████████ | ██████████ | 30. Current Mat. L/T Debt-Rur. Dev. | ██████████ | ██████████ |
| 4. Non-Affiliates: | | | 31. Current Mat.-Capital Leases | ██████████ | ██████████ |
| a. Telecom, Accounts Receivable | ██████████ | ██████████ | 32. Income Taxes Accrued | ██████████ | ██████████ |
| b. Other Accounts Receivable | ██████████ | ██████████ | 33. Other Taxes Accrued | ██████████ | ██████████ |
| c. Notes Receivable | ██████████ | ██████████ | 34. Other Current Liabilities | ██████████ | ██████████ |
| 5. Interest and Dividends Receivable | ██████████ | ██████████ | 35. Total Current Liabilities (25 thru 34) | ██████████ | ██████████ |
| 6. Material-Regulated | ██████████ | ██████████ | LONG-TERM DEBT | | |
| 7. Material-Nonregulated | ██████████ | ██████████ | 36. Funded Debt-RUS Notes | ██████████ | ██████████ |
| 8. Prepayments | ██████████ | ██████████ | 37. Funded Debt-RTB Notes | ██████████ | ██████████ |
| 9. Other Current Assets | ██████████ | ██████████ | 38. Funded Debt-FFB Notes | ██████████ | ██████████ |
| 10. Total Current Assets (1 Thru 9) | ██████████ | ██████████ | 39. Funded Debt-Other | | |
| NONCURRENT ASSETS | | | 40. Funded Debt-Rural Develop. Loan | | |
| 11. Investment in Affiliated Companies | | | 41. Premium (Discount) on L/T Debt | | |
| a. Rural Development | ██████████ | ██████████ | 42. Reacquired Debt | | |
| b. Nonrural Development | ██████████ | ██████████ | 43. Obligations Under Capital Lease | | |
| 12. Other Investments | | | 44. Adv. From Affiliated Companies | | |
| a. Rural Development | ██████████ | ██████████ | 45. Other Long-Term Debt | | |
| b. Nonrural Development | ██████████ | ██████████ | 46. Total Long-Term Debt (36 thru 45) | ██████████ | ██████████ |
| 13. Nonregulated Investments | ██████████ | ██████████ | OTHER LIAB. & DEF. CREDITS | | |
| 14. Other Noncurrent Assets | ██████████ | ██████████ | 47. Other Long-Term Liabilities | ██████████ | ██████████ |
| 15. Deferred Charges | ██████████ | ██████████ | 48. Other Deferred Credits | ██████████ | ██████████ |
| 16. Jurisdictional Differences | ██████████ | ██████████ | 49. Other Jurisdictional Differences | ██████████ | ██████████ |
| 17. Total Noncurrent Assets (11 thru 16) | ██████████ | ██████████ | 50. Total Other Liabilities and Deferred Credits (47 thru 49) | ██████████ | ██████████ |
| PLANT, PROPERTY, AND EQUIPMENT | | | EQUITY | | |
| 18. Telecom, Plant-in-Service | ██████████ | ██████████ | 51. Cap. Stock Outstand. & Subscribed | ██████████ | ██████████ |
| 19. Property Held for Future Use | ██████████ | ██████████ | 52. Additional Paid-in-Capital | ██████████ | ██████████ |
| 20. Plant Under Construction | ██████████ | ██████████ | 53. Treasury Stock | ██████████ | ██████████ |
| 21. Plant Adj., Nonop. Plant & Goodwill | ██████████ | ██████████ | 54. Membership and Cap. Certificates | ██████████ | ██████████ |
| 22. Less Accumulated Depreciation | ██████████ | ██████████ | 55. Other Capital | ██████████ | ██████████ |
| 23. Net Plant (18 thru 21 less 22) | ██████████ | ██████████ | 56. Patronage Capital Credits | ██████████ | ██████████ |
| 24. TOTAL ASSETS (10+17+23) | ██████████ | ██████████ | 57. Retained Earnings or Margins | ██████████ | ██████████ |
| | | | 58. Total Equity (51 thru 57) | ██████████ | ██████████ |
| | | | 59. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | ██████████ | ██████████ |

Total Equity = ██████████ % of Total Assets

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

SD0526

PERIOD ENDING

December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

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+20-10-11) / 7] | | |
| 46. Operating Accrual Ratio [(14+20+26) / 7] | | |
| 47. TIER [(31+26) / 26] | | |
| 48. DSCR [(31+26+10+11) / 44] | | |

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

SD0526

PERIOD ENDING
December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

| | | | | |
|------------------------|------------------------|------------------------|---------------------------------|-------------------------------|
| 1. No. Plant Employees | 2. No. Other Employees | 3. Square Miles Served | 4. Access Lines per Square Mile | 5. Subscribers per Route Mile |
| █ | █ | █ | █ | █ |

PART E. TOLL DATA

| | | | | |
|--|--|---|--|--|
| 1. Study Area ID Code(s) a. █ b. █ c. █ d. █ e. █ f. _____ g. _____ h. _____ i. _____ j. _____ | 2. Types of Toll Settlements (Check one) | | | |
| | Interstate: | <input type="checkbox"/> Average Schedule | <input checked="" type="checkbox"/> Cost Basis | |
| | Intrastate: | <input type="checkbox"/> Average Schedule | <input checked="" type="checkbox"/> Cost Basis | |

PART F. FUNDS INVESTED IN PLANT DURING YEAR

| | |
|---|---|
| 1. RUS, RTB, & FFB Loan Funds Expended | █ |
| 2. Other Long-Term Loan Funds Expended | █ |
| 3. Funds Expended Under RUS Interim Approval | █ |
| 4. Other Short-Term Loan Funds Expended | █ |
| 5. General Funds Expended (Other than Interim) | █ |
| 6. Salvaged Materials | █ |
| 7. Contribution in Aid to Construction | █ |
| 8. Gross Additions to Telecom. Plant (1 thru 7) | █ |

PART G. INVESTMENTS IN AFFILIATED COMPANIES

| INVESTMENTS (a) | CURRENT YEAR DATA | | CUMULATIVE DATA | | |
|--|--------------------------------|---------------------------------|--|---|---------------------------|
| | Investment This Year (b) | Income/Loss This Year (c) | Cumulative Investment To Date (d) | Cumulative Income/Loss To Date (e) | Current Balance (f) |
| 1. Investment in Affiliated Companies - Rural Development | █ | █ | █ | █ | █ |
| 2. Investment in Affiliated Companies - Nonrural Development | █ | █ | █ | █ | █ |

| | |
|--|---|
| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | BORROWER DESIGNATION SD0526 PERIOD ENDING December, 2014 |
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PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) YES NO

| EQUIPMENT CATEGORY | DEPRECIATION RATE |
|---|-------------------|
| 1. Land and support assets - Motor Vehicles | ██████ |
| 2. Land and support assets - Aircraft | |
| 3. Land and support assets - Special purpose vehicles | |
| 4. Land and support assets - Garage and other work equipment | ██████ |
| 5. Land and support assets - Buildings | ██████ |
| 6. Land and support assets - Furniture and Office equipment | ██████ |
| 7. Land and support assets - General purpose computers | ██████ |
| 8. Central Office Switching - Digital | ██████ |
| 9. Central Office Switching - Analog & Electro-mechanical | |
| 10. Central Office Switching - Operator Systems | |
| 11. Central Office Transmission - Radio Systems | |
| 12. Central Office Transmission - Circuit equipment | ██████ |
| 13. Information origination/termination - Station apparatus | |
| 14. Information origination/termination - Customer premises wiring | |
| 15. Information origination/termination - Large private branch exchanges | |
| 16. Information origination/termination - Public telephone terminal equipment | |
| 17. Information origination/termination - Other terminal equipment | |
| 18. Cable and wire facilities - Poles | |
| 19. Cable and wire facilities - Aerial cable - Metal | |
| 20. Cable and wire facilities - Aerial cable - Fiber | |
| 21. Cable and wire facilities - Underground cable - Metal | |
| 22. Cable and wire facilities - Underground cable - Fiber | |
| 23. Cable and wire facilities - Buried cable - Metal | |
| 24. Cable and wire facilities - Buried cable - Fiber | ██████ |
| 25. Cable and wire facilities - Conduit systems | ██████ |
| 26. Cable and wire facilities - Other | |

| | | | |
|--|--|--------------------------------|--|
| USDA-RUS | | BORROWER DESIGNATION | |
| OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | | SD0526 | |
| | | PERIOD ENDED December, 2014 | |
| INSTRUCTIONS – See help in the online application. | | | |
| PART I – STATEMENT OF CASH FLOWS | | | |
| 1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund) | | [REDACTED] | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 2. Net Income | | [REDACTED] | |
| <i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i> | | | |
| 3. Add: Depreciation | | [REDACTED] | |
| 4. Add: Amortization | | [REDACTED] | |
| 5. Other (Explain) | | [REDACTED] | |
| <i>Changes in Operating Assets and Liabilities</i> | | | |
| 6. Decrease/(Increase) in Accounts Receivable | | [REDACTED] | |
| 7. Decrease/(Increase) in Materials and Inventory | | [REDACTED] | |
| 8. Decrease/(Increase) in Prepayments and Deferred Charges | | [REDACTED] | |
| 9. Decrease/(Increase) in Other Current Assets | | [REDACTED] | |
| 10. Increase/(Decrease) in Accounts Payable | | [REDACTED] | |
| 11. Increase/(Decrease) in Advance Billings & Payments | | [REDACTED] | |
| 12. Increase/(Decrease) in Other Current Liabilities | | [REDACTED] | |
| 13. Net Cash Provided/(Used) by Operations | | [REDACTED] | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 14. Decrease/(Increase) in Notes Receivable | | [REDACTED] | |
| 15. Increase/(Decrease) in Notes Payable | | [REDACTED] | |
| 16. Increase/(Decrease) in Customer Deposits | | [REDACTED] | |
| 17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities) | | [REDACTED] | |
| 18. Increase/(Decrease) in Other Liabilities & Deferred Credits | | [REDACTED] | |
| 19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital | | [REDACTED] | |
| 20. Less: Payment of Dividends | | [REDACTED] | |
| 21. Less: Patronage Capital Credits Retired | | [REDACTED] | |
| 22. Other (Explain) | | [REDACTED] | |
| 23. Net Cash Provided/(Used) by Financing Activities | | [REDACTED] | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 24. Net Capital Expenditures (Property, Plant & Equipment) | | [REDACTED] | |
| 25. Other Long-Term Investments | | [REDACTED] | |
| 26. Other Noncurrent Assets & Jurisdictional Differences | | [REDACTED] | |
| 27. Other (Explain) | | [REDACTED] | |
| 28. Net Cash Provided/(Used) by Investing Activities | | [REDACTED] | |
| 29. Net Increase/(Decrease) in Cash | | [REDACTED] | |
| 30. Ending Cash | | [REDACTED] | |

REDACTED - FOR PUBLIC INSPECTION

| | |
|---|---|
| <p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p> | <p>BORROWER DESIGNATION</p> <p>SD0526</p> |
| <p>INSTRUCTIONS - See RUS Bulletin 1744-2</p> | <p>PERIOD ENDED</p> <p>December, 2014</p> |
| <p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p> | |
| | |

REDACTED - FOR PUBLIC INSPECTION

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| USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | BORROWER DESIGNATION SD0526 |
| INSTRUCTIONS - See RUS Bulletin 1744-2 | PERIOD ENDED December, 2014 |
| CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS | |
| | |