July 29, 2016

**BY ELECTRONIC FILING**

**VIA WUTC WEB PORTAL**

Mr. Steven V. King, Executive Director and Secretary

Washington Utilities and Transportation Commission

1300 South Evergreen Park Drive SW

Olympia, WA 98504-7250

Dear Mr. King:

Re: Docket No. UT- 160873 –

Supplement to 2016 Annual Reports on High

Cost Fund Pursuant to WAC 480-123-070

and -080

Under covering letter dated July 1, 2016, Hat Island Telephone Company (the “Company”) submitted to the Washington Utilities and Transportation Commission for filing the Company’s reports pursuant to WAC 480-123-070 and -080 due July 1, 2016. Included in that submission was a document entitled “ETC ANNUAL REPORTS PER WAC 480-123-070 AND WAC 480-123-080.” Report 1 in that document contained the following statement:

“Per direction of the Commission Staff, the NECA -1 report will be provided as soon as it is available and no later than August 1, 2016.”

In accordance with the statement quoted above and as a supplement to the Company’s reports previously filed in the above-referenced docket, accompanying this letter is a copy of the Company’s NECA-1 report for the calendar year 2015, dated 7/28/2016.

Please let us know if the Commission has any questions regarding the enclosed report.

Sincerely,

Frank McIntyre

Controller

Accompanying document