

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080
Contains Certifications Required by WAC 480-123-060 and 070
July 3, 2017

Westgate Communications LLC ("WeavTel" or the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.

1. Report 1: Report on use of funds: WAC 480-123-070(1)(a):

The Company used support from the federal high-cost fund in 2016 as follows:

The funds from the universal service communication program are contributing to the Company's ongoing provision of high-quality basic telecommunications service to customers residing in the area the Company serves.



The funds received from the universal service communications program can be viewed as contributing to the Company's ability to perform this project, including, without limitation, the repayment of loan funds.

For 2016, the Company's gross capital expenditures were [REDACTED]. The Company's 2016 operating expenses were [REDACTED]. Recent major projects are referenced above.

Per the direction of Commission Staff, the NECA -1 report will be provided as soon as it is available and no later than August 1, 2017.

2. Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses report under Report 1, above, benefited the customers as follows:

The customers served by the Company benefited from the use of high-cost fund support by continuing to receive high quality telecommunications services. The Company improved and expanded its existing customer service area by investing [REDACTED] in its network in 2016. These investments, combined with the current construction project will allow WeavTel to improve and expand service in its service area, including provisioning broadband service in a larger area and at high speeds.

Through the expenditure of these funds, the Company was able to continue to provide services at a level that the Company believes meets the intent set forth in 47 U.S.C § 254 of providing quality telecommunications services to customers in the service area for which the Company is designated as an ETC.¹ The Company has continued to make investments over the past several years which allow it to provide quality telecommunications services to its customers in its designated ETC service area. Those expenditures and investments, including those reflected in Report 1 above; generally benefit all customers receiving the federal high-cost fund supported services from the Company within its designated ETC service area. The Company has expanded its network over the past several years so that it is capable of providing access to broadband services throughout most of the Company's designated ETC service area. The Company offers services that are comparable to services offered in urban areas at rates that are comparable to rates for such services in urban areas.

3. Report 3: Local Services Outage Report: WAC 480-123-070(2):

None. Outages are listed on the report labeled (210) Reportable Voice Service Outages on FCC Form 481. WeavTel reported zero local service outages during 2016.

4. Report 4: Report on Failure to Provide Service: WAC 480-123-070(3):

None. WeavTel had no unfulfilled service requests and no unfulfilled broadband requests as identified on lines 300 and 320 of FCC Form 481.

5. Report 5: Report on Complaints per 1000 Connections: WAC 480-123-070(4):

None. The Company had no voice or broadband complaints as identified on lines 410 and 440 of FCC Form 481.

¹ The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

6. Report 6: Annual Plan: WAC 480-123-080(1):

As they are known to the Company at the date of this Report, the planned investment and expenses related to Washington State for the period January 1, 2018, through December 31, 2018, [REDACTED]

7. Report 7: Plan of Investments and Expenditures: WAC 480-123-080(2):

As they are known to the Company at the date of this Report, the planned investment related to Washington state for the period January 1, 2018, through December 31, 2018, will be higher than the same as those it experienced in calendar year 2016, while anticipated operating expenses will be similar to those incurred during 2016, subject to the effects of inflation, other commonly experienced changes in cost of labor and materials, and increased depreciation on new investment placed in service, with the exception of the FTTP project outlined below.

As outlined in Report 6 above, the Company intends to add [REDACTED]

The Company does not anticipate making adjustments to existing staffing levels for the relevant period. Major projects are referenced in Report 6, above. The company has not completed its 2018 budgeting process and does not have final numbers prepared for investment and expense levels in 2018. WeavTel expects that the continued receipt of federal high-cost support will allow the Company to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas. All customer in the Company's designated ETC service area will benefit from the expected level of support by continuing to have available to them services that are comparable to the telecommunications services offered in urban areas at rates that are comparable to the rates for such services in urban areas.