ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080
Contains Certifications Required by WAC 480-123-060 and 070
August 6, 2026

Lewis River Telephone Company (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 USF in 2025 as follows:

The Company received $541,316 in Federal USF support in 2025 which is made up of $311,408 in ACAM and $229,908 in CAF-ICC reform support. The support was for broadband investment and to help cover operating expenses necessary to maintain the Company's network in order to continue providing high quality voice and broadband services. As discussed below, some of the support was used for network capital additions.

For 2025 the Company's gross capital expenditures were $3,330,238. The Company's 2025 operating expenses excluding income taxes were $3,384,684. Recent major projects include:

- CAA - Indatel 42218 NW Yale Bridge Rd - $13,500
- CAA - Astound Business Solutions 1G PTP $38,100
- NB JT - NE Fargher Lake Highway - Amboy $2,800
- EACAM - Phase A - Amboy, WA $9,700
- Bond Prep – Aerial $5,000
- Bond Prep – Buried $22,600
- ER - Lewis River Road - Cougar, WA $37,700
- NB - JT - Asa's View Subdivision - La Ce $21,600
- CAP - 100G Wave Upgrade LaCenter - Lume $5,000
- NB JT - Stephans Hillside Estates - LaCenter $14,900
- CSI - New HVAC 41600 - LaCenter, WA $53,100
- CSI - DC Plant Replace LaCenter, WA $21,000
- MAN - NE 23rd Ave - LaCenter, WA $16,700
- MAN - WSDOT I-5 Bridge - LaCenter, WA $2,300
- NB JT - Lockwood Meadows - LaCenter, WA $16,200
- NB JT - 2219 NE 339th ST - LaCenter WA $4,500
- EACAM - Phase A - LaCenter, WA $134,300
- Aerial Drop Additions $5,200
- Buried Drop Additions $42,100
- Buried Optical Drop $2,300
- EACAM - Phase A - Yale, WA $8,700

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, 2026.

2. Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses reported under Report 1, above, benefited the customers by maintaining and expanding the network to continue providing high quality telecommunications and broadband services. The funds received from the universal communications services program contributed to the Company's ability to complete those projects. The support has also allowed the company to sustain the current local technical support staff therefore avoiding delayed repairs and maintenance.

   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 made substantial 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 USF 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.
   See also the responses to Report 1.

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

   There was 1 reportable outage in calendar year 2025.

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

   The Company had no unfulfilled voice service requests in 2025 and 12 unfulfilled broadband service requests as of year-end 2025. Of those 12 requests, 3 has since been provisioned with the customer's requested speed. There are 6 additional addresses that can get faster speeds that customer service will be calling out on to get them upgraded The remaining 12 customers have broadband service at speeds lower than requested. Those speeds will be increased when faster speeds become available.

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

   The Company reports that it is aware of .69 voice complaints per 1,000 customers in calendar year 2025. Two complaints were made to the FCC – one regarding service quality and regarding billing.

[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, 2027, through December 31, 2027 will include the estimated capital investment relating to projects opened to improve broadband speeds relating to E-ACAM commitments. The estimated operating expenses for 2027 are $3,385,000. In addition, the Company expects to experience a similar level of routine projects during 2027 relating to buried drops, line extensions, capacity improvements and new developments. Major projects completed in 2025 are disclosed in Report 1 above. The Company expects that levels of capital project activity will continue and increase into the next few years, with 2027 capital expenditures – subject to the effects of inflation and other commonly experienced changes in cost of labor and materials, as well as increased depreciation on new investment placed in service – estimated at $6,568,000. The Company does not anticipate major adjustments in local staffing levels for the relevant period.

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 operating expenses related to Washington state for the period January 1, 2027, through December 31, 2027, will remain relatively the same as those it experienced in calendar year 2024, 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. See also discussion relating to E-ACAM investments in Report 6. The Company does not anticipate major adjustments in local staffing levels for the relevant period. The Company expects that the continued receipt of federal USF 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 customers 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.