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6 **BEFORE THE WASHINGTON**
7 **UTILITIES AND TRANSPORTATION COMMISSION**

8 IN RE

9
10 PETITION OF MCDANIEL TELEPHONE
11 COMPANY D/B/A TDS TELECOM, TO
12 RECEIVE SUPPORT FROM THE STATE
UNIVERSAL COMMUNICATIONS
SERVICES PROGRAM

DOCKET NO.

PETITION FOR SUPPORT

13
14 COMES NOW McDaniel Telephone Company d/b/a TDS Telecom (the "Company"), and,
15 pursuant to Chapter 480-123 of the Washington Administrative Code ("WAC") including, but not
16 limited to, WAC 480-123-110, hereby petitions the Washington Utilities and Transportation
17 Commission (the "Commission") to receive support from the State Universal Communications
18 Services Program established in RCW 80.36.650 (the "Program") for the fiscal year ending June 30,
19 2017.

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21 **I. Demonstration of Eligibility under WAC 480-123-100**

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23 1. WAC 480-123-100(1)(a): The Company is a local exchange company as defined in WAC
24 480-120-021 that serves less than forty thousand access lines within the state.

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26 PETITION OF MCDANIEL TELEPHONE COMPANY D/B/A TDS TELECOM
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COMMUNICATIONS SERVICES PROGRAM - 1

- 1 2. WAC 480-123-100(1)(b): The Company is an incumbent local exchange carrier as defined
2 in 47 U.S.C. Sec. 251(h).
- 3 3. WAC 480-123-100(1)(c): The Company offers basic residential and business exchange
4 telecommunications services as set forth in WAC 480-120-021 and RCW 80.36.630.
- 5 4. WAC 480-123-100(1)(d): The Company's rates for residential local exchange service, plus
6 mandatory extended area service charges, are no lower than the local urban rate floor
7 established by the Commission as the benchmark rate based on the Federal Communications
8 Commission's national local urban rate floor pursuant to 47 C.F.R. Sec. 54.318 in effect on
9 the date of this Petition.
- 10 11 5. WAC 480-123-100(1)(e): The Company has been designated by the Commission as an
12 eligible telecommunications carrier for purposes of receiving federal universal services
13 support pursuant to 47 C.F.R. Part 54 Subpart D - Universal Service Support for High Cost
14 Areas with respect to the service area for which the Company is seeking Program support.
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16 **II. Demonstration of Eligibility under WAC 480-123-110**

- 17 18 1. WAC 480-123-110(1)(a): The name of the legal entity that provides communications
19 services and is seeking Program support is as follows: McDaniel Telephone Company d/b/a
20 TDS Telecom.
- 21 22 2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between
23 the Company and all affiliates as defined in RCW 80.16.010 is attached hereto as Exhibit 1.
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1 A detailed description of any transactions between the Company and the affiliates named in
2 Exhibit 1 recorded in the Company's operating accounts is attached hereto as Exhibit 2.

3 3. WAC 480-123-110(1)(c): A service area map for the Company can be found at Schedule
4 14, Original Sheets No. 150-152 of the Company's Tariff WN U-4.

5 4. WAC 480-123-110(1)(d): A demonstration that the Company's customers are at risk of rate
6 instability or service interruption or cessation in the absence of support from the Program is
7 attached as Exhibit 3.

8 5. WAC 480-123-110(1)(e)(i): On the Commission's prescribed form, attached as Exhibit 4,
9 are copies of the Company's balance sheet as of December 31, 2015, and December 31,
10 2014, and copies of the Company's statements of income and retained earnings or margin for
11 the years ended December 31, 2015 and December 31, 2014.

12 6. WAC 480-123-110(1)(e)(ii): A copy of the Company's consolidated annual financial
13 statements for the years ended December 31, 2015 and December 31, 2014, are attached as
14 Exhibit 5.

15 7. WAC 480-123-110(1)(e)(iii): Information demonstrating the Company's earned rate of
16 return on a total Washington unseparated regulated operations basis for each of the two prior
17 years, calculated in the manner prescribed by the Commission, is provided in Exhibit 4.

18 8. WAC 480-123-110(1)(e)(iv): Information demonstrating the Company's earned return on
19 equity on a total company (regulated and non-regulated) Washington basis for each of the
20 two prior years, calculated in the manner prescribed by the Commission, is provided in
21 Exhibit 4.
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- 1 9. WAC 480-123-110(1)(e)(v): Information detailing all of the Company's revenues from the
2 statements of income and retained earnings or margin in the same format and detail as is
3 required to complete RUS Form 479 for the prior two years is presented on Exhibit 6.
- 4 10. WAC 480-123-110(1)(e)(vi): A statement under penalty of perjury from a Company officer
5 with personal knowledge and responsibility certifying that no corporate operations
6 adjustment to existing high-cost loop and interstate common line support mechanisms
7 required by the Federal Communications Commission applied to the Company for the two
8 prior years is attached hereto as Exhibit 7.
- 9 11. WAC 480-123-110(1)(e)(vii): Exhibit 4.1 contains additional supporting information
10 requested by the Commission.
- 11 12. WAC 480-123-110(1)(e)(viii): A statement under penalty of perjury from a Company
12 officer with personal knowledge and responsibility certifying that the Company complies
13 with state and federal accounting, cost allocation, and cost adjustment rules pertaining to
14 incumbent local exchange companies is attached as Exhibit 8.
- 15 13. WAC 480-123-110(1)(f): A complete copy of the FCC Form 481 filed by the Company or
16 on its behalf with the Federal Communications Commission for the calendar year preceding
17 the current year has already been filed with the Commission. See the Company's filing in
18 Docket No. UT-160030 filed on or about July 1, 2016.
- 19 14. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by
20 the Company as of December 31, 2015, was 2,969 all of which were within the geographic
21 area for which the Company is seeking support. The number of residential local exchange
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1 access lines served by the Company as of December 31, 2014, was 2,974, all of which were
2 within the geographic area for which the Company is seeking support.

3 The number of business local exchange access lines served by the Company as of December
4 31, 2015, was 485, all of which were within the geographic area for which the Company is
5 seeking support. The number of business local exchange access lines served by the
6 Company as of December 31, 2014, was 487, all of which were within the geographic area
7 for which the Company is seeking support.
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9 The monthly recurring rate charged by the Company for residential local exchange access
10 service on December 31, 2015, was \$16.00. The monthly recurring rate charged by the
11 Company for residential local exchange access service on December 31, 2014, was \$16.00.

12 The rate charged by the Company for single line business local exchange access service on
13 December 31, 2015, was \$20.50. The rate charged by the Company for single line business
14 local exchange access service on December 31, 2014, was \$20.50. (The Company has
15 other business local exchange service rates, but the Company understands that WAC 480-
16 123-110(1)(g) is requesting the single line business local exchange access service rate.)
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18 15. WAC 480-123-110(1)(h): The requested statement is attached as Exhibit 9.

19 16. The amount on Line 4, labeled 2011 ROR Carrier Base Period Revenue, of the CAF ICC
20 Data collection Report for the period 7/1/2016 - 6/30/2017 is \$720,977 and has not changed
21 from the last filing.

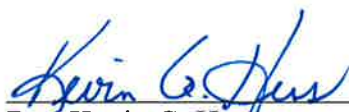
22 17. All exhibits attached hereto are incorporated in this Petition as though fully set forth.
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2 Respectfully submitted this 29 day of July, 2016.
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5 McDaniel Telephone Company
6 d/b/a TDS Telecom
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9 CERTIFICATION

10 I Kevin G. Hess, an officer of the Company that is responsible for the Company's business
11 and financial operations, hereby certify under penalty of perjury that the information and
12 representations set forth in the Petition, above, are accurate and the Company has not knowingly
13 withheld any information required to be provided to the Commission pursuant to the rules
14 governing the Program.

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16 By: Kevin G. Hess

17 Title: Executive Vice President
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