

# REDACTED - FOR PUBLIC INSPECTION

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080  
Contains Certifications Required by WAC 480-123-060 and 070  
July 1, 2024

Pend Oreille 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 high-cost fund in 2023 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. In addition, the Company undertook several construction and maintenance projects. The Company expanded its local area network by upgrading its field electronics and central office electronics to enable faster DSL services and also added additional fiber capacity to handle additional bandwidth. Details of projects and locations for the calendar year 2023 are attached hereto as Exhibit A.

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 2023, the Company's gross capital expenditures were [REDACTED]. The Company's 2023 operating expenses were [REDACTED].

Per the direction of Commission Staff, the NECA -1 report will be provided as soon as it is available.

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:

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.<sup>1</sup> 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 high-cost fund supported services from the Company within its 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.

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

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

The Company had no outages.

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

The Company had no unfulfilled service requests and no unfulfilled broadband requests.

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

The Company had no complaints.

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, 2025, through December 31, 2025, are projected to be [REDACTED] for gross capital expenditures and [REDACTED] for operating expenses. Major projects are disclosed on the five year plan included with FCC Form 481 filed with the Commission in 2016. Details of the planned projects for the calendar year 2025 are attached hereto as Exhibit B.

The Company expects that levels of expenses will increase as those it experienced in calendar year 2023, 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. The Company does not anticipate major adjustments in 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 planned investment and expenses related to Washington state for the period January 1, 2025, through December 31, 2025, will remain relatively the same as those it experienced in calendar year 2023, 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. All customers in the Company's designated ETC service area will benefit from the enhanced broadband service expected from the level of support and other factors, such as support from the state fund, continuing to aide efforts to have available to the customer services that are comparable to the telecommunications services offered in urban areas.

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PEND OREILLE TELEPHONE COMPANY

EXHIBIT A

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ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080

PEND OREILLE TELEPHONE COMPANY

EXHIBIT B