

UCF 073015

# PEND OREILLE



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July 24, 2007

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive SW  
Olympia, WA 98504-7250

Re: Pend Oreille Telephone Company  
ETC Certification and Report

RECEIVED  
RECORDS SECTION  
07 JUL 30 PM 3:38  
OFFICE OF THE  
ATTORNEY GENERAL

Dear Ms. Washburn:

Attached are Pend Oreille Telephone Company's reports as required by WAC 480-123-070 and WAC 480-123-080. Also enclosed is the Affidavit containing certifications and NECA-1 report for 2006.

Sincerely,

Mark R. Martell  
Administrative Manager

MRM/sec

cc: Rick Finnigan

**REPORTS AS REQUIRED BY WAC 480-123-070  
AND WAC 480-123-080**

RECEIVED  
RECORDS MANAGEMENT  
07 JUL 30 PM 3:38

Pend Oreille Telephone Company (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.<sup>1</sup>

Report 1: WAC 480-123-070(1)(a): Attached is a copy of the Company's NECA-1 Report for the calendar year 2006, that, as of the date of the report, the Company has reported as the basis for support from the federal high-cost fund.

Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses reported under Report 1, above, benefited 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>2</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.

Report 3: WAC 480-123-070(4): The Company reports that during the calendar year 2005, the Company did not receive from either the Federal Communications Commission or the Consumer Protection Division of the Office of the Attorney General of the State of Washington any complaints against the Company made by the Company's customers.

Report 4: WAC 480-123-080(1)(b): The Company reports as follows:

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 October 1, 2007, through September 30, 2008, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2006, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials. The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company's investment plans directly affecting federal

<sup>1</sup> It is the Company's understanding that it is not required to submit the reports described in WAC 480-123-070(2) and (3).

<sup>2</sup> The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

high-cost supported services offered by it in its designated ETC service area do not include a major construction project at the present time. The Company expects that it will have relatively the same level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2006. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2008.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service.



Universal Service Fund  
Data Collection Form

SAC: 522418

SA Name: Pend Oreille Telephone Company Region: Western

## I. EXCHANGE CARRIER/DATA IDENTIFICATION

(010)	Study Area Code	(010)	<u>522418</u>
(020)	Contact Name	(020)	<u>Bev Arrington</u>
(030)	Contact Telephone Number	(030)	<u>208.366.2614</u>
(040)	USF Data Collection Period	(040)	<u>2007-1</u>

<u>Data Line</u>	<u>Description</u>	<u>Latest View 2006-1 Amount</u>	<u>Data Line</u>	<u>Pending View 2007-1 Amount</u>	<u>Data Source</u>
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## II. WORKING LOOPS

(060)	Total Loops (Cat. 1.1, 1.2 and 1.3)	<u>2,100</u>	(060)	<u>2,141</u>	
(070)	Category 1.3 Loops (Excluding Cat. 1.3 TWX Loops)	<u>2,087</u>	(070)	<u>2,128</u>	
(080)	Reserved				

## III. INVESTMENT, EXPENSE AND TAXES

## Net Plant Investment

(160)	Acct. 2001 - Telephone Plant in Service	<u>13,765,336</u>	(160)	<u>13,878,561</u>	
(170)	Acct. 1220 - Materials and Supplies	<u>184,275</u>	(170)	<u>190,786</u>	
(190)	Acct. 3100 - Accumulated Depreciation	<u>11,751,495</u>	(190)	<u>12,239,726</u>	
(195)	Acct. 3400 - Accumulated Amortization Tangible	<u>0</u>	(195)	<u>0</u>	
(200)	Reserved				N O E N T R Y R E Q U I R E D
(205)	Reserved				N O E N T R Y R E Q U I R E D
(210)	Acct. 4340 - Net Noncurrent Deferred Operating Income Taxes	<u>43,089</u>	(210)	<u>(16,629)</u>	
(220)	Net Plant Investment (Sum of Lines 160 + 170 Minus Lines 190 Through 210)	<u>2,155,027</u>	(220)	<u>1,846,250</u>	Calculation

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<u>Data Line</u>	<u>Description</u>	<u>Latest View 2006-1 Amount</u>	<u>Data Line</u>	<u>Pending View 2007-1 Amount</u>	<u>Data Source</u>
Selected Plant Accounts					
(230)	Acct. 2210 - Central Office Switching Equipment	<u>1,888,082</u>	(230)	<u>1,887,801</u>	
(235)	Acct. 2220 - Operator System Equipment	<u>0</u>	(235)	<u>0</u>	
(240)	Acct. 2230 - Central Office Transmission Equipment	<u>3,618,375</u>	(240)	<u>3,629,790</u>	
(245)	Total Central Office Equipment (Sum of Lines 230 Through 240)	<u>5,506,457</u>	(245)	<u>5,517,591</u>	Calculation
(250)	Circuit Equipment Category 4.13	<u>1,910,352</u>	(250)	<u>1,913,440</u>	
(255)	Acct. 2410 - Cable and Wire Facilities Total	<u>7,144,246</u>	(255)	<u>7,262,294</u>	
(260)	Acct. 3100 (2210) - Accumulated Depreciation Central Office Switching Equipment	<u>1,744,871</u>	(260)	<u>1,763,988</u>	
(265)	Acct. 3100 (2220) - Accumulated Depreciation Operator System Equipment	<u>0</u>	(265)	<u>0</u>	
(270)	Acct. 3100 (2230) - Accumulated Depreciation Central Office Transmission Equipment	<u>3,343,922</u>	(270)	<u>3,391,729</u>	
(275)	Acct. 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment (Sum of Lines 260 Through 270)	<u>5,088,793</u>	(275)	<u>5,155,717</u>	Calculation
(280)	Acct. 3100 (2410) - Accumulated Depreciation Cable and Wire Facilities	<u>5,947,355</u>	(280)	<u>6,346,324</u>	

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(285)	Reserved	N O	E N T R Y	R E Q U I R E D	
(290)	Reserved	N O	E N T R Y	R E Q U I R E D	
(295)	Reserved	N O	E N T R Y	R E Q U I R E D	
(300)	Reserved	N O	E N T R Y	R E Q U I R E D	
(305)	Reserved	N O	E N T R Y	R E Q U I R E D	
(310)	Acct. 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching Equipment	<u>0</u>	(310)	<u>(2,262)</u>	
(315)	Acct. 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator System Equipment	<u>0</u>	(315)	<u>0</u>	
(320)	Acct. 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Transmission Equipment	<u>0</u>	(320)	<u>(4,349)</u>	
(325)	Acct. 4340 (2210-2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Equipment (Sum of Lines 310 Through 320)	<u>0</u>	(325)	<u>(6,611)</u>	Calculation
(330)	Acct. 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - Cable and Wire Facilities	<u>0</u>	(330)	<u>(8,702)</u>	

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Plant-Specific Operation Expense					
(335)	Acct. 6110 - Network Support Expense Total	<u>0</u>	(335)	<u>725</u>	
(340)	Acct. 6110 - Benefits Portion of Network Support Expense	<u>0</u>	(340)	<u>0</u>	
(345)	Acct. 6110 - Rents Portion of Network Support Expense	<u>0</u>	(345)	<u>0</u>	
(350)	Acct. 6120 - General Support Expense Total	<u>93,932</u>	(350)	<u>88,245</u>	
(355)	Acct. 6120 - Benefits Portion of General Support Expense	<u>1,685</u>	(355)	<u>2,106</u>	
(360)	Acct. 6120 - Rents Portion of General Support Expense	<u>1,532</u>	(360)	<u>1,532</u>	
(365)	Acct. 6210 - Central Office Switching Expense - Total	<u>106,679</u>	(365)	<u>129,168</u>	
(370)	Acct. 6210 - Benefits Portion of Central Office Switching Expense	<u>11,050</u>	(370)	<u>14,682</u>	
(375)	Acct. 6210 - Rents Portion of Central Office Switching Expense	<u>0</u>	(375)	<u>0</u>	
(380)	Acct. 6220 - Operator System Expense - Total	<u>0</u>	(380)	<u>0</u>	
(385)	Acct. 6220 - Benefits Portion of Operator System Expense	<u>0</u>	(385)	<u>0</u>	
(390)	Acct. 6220 - Rents Portion of Operator System Expense	<u>0</u>	(390)	<u>0</u>	
(395)	Acct. 6230 - Central Office Expense - Transmission Equipment - Total	<u>106,221</u>	(395)	<u>134,522</u>	



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(400)	Acct. 6230 - Benefits Portion of Central Office Expense - Transmission Equipment	<u>7,281</u>	(400)	<u>10,824</u>	
(405)	Acct. 6230 - Rents Portion of Central Office Expense - Transmission Equipment	<u>0</u>	(405)	<u>0</u>	
(410)	Accts. 6210-6230 - Central Office Expense Total (Sum of Lines 365 + 380 + 395)	<u>212,900</u>	(410)	<u>263,690</u>	Calculation
(415)	Reserved	N O	E N T R Y	R E Q U I R E D	
(420)	Reserved	N O	E N T R Y	R E Q U I R E D	
(425)	Reserved	N O	E N T R Y	R E Q U I R E D	
(430)	Acct. 6410 - Cable and Wire Facilities Expense - Total	<u>335,299</u>	(430)	<u>243,621</u>	
(435)	Acct. 6410 - Benefits Portion Cable and Wire Facilities Expense	<u>35,458</u>	(435)	<u>28,267</u>	
(440)	Acct. 6410 - Rents Portion Cable and Wire Facilities Expense	<u>0</u>	(440)	<u>0</u>	
(445)	Total Plant-Specific Expense (Sum of Lines 335 + 350 + 365 + 380 + 395 + 415 + 430)	<u>642,131</u>	(445)	<u>596,281</u>	Calculation
Plant-Nonspecific Expense					
(450)	Acct. 6530 - Network Operations Expense - Total	<u>144,716</u>	(450)	<u>181,556</u>	
(455)	Acct. 6530 - Benefits Portion Network Operations Expense	<u>16,006</u>	(455)	<u>14,337</u>	

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Data Line	Description	Latest View 2006-1 Amount	Data Line	Pending View 2007-1 Amount	Data Source
(465)	Reserved	N O	E N T R Y	R E Q U I R E D	
(470)	Reserved	N O	E N T R Y	R E Q U I R E D	
(480)	Reserved	N O	E N T R Y	R E Q U I R E D	
(485)	Reserved	N O	E N T R Y	R E Q U I R E D	
(500)	Reserved	N O	E N T R Y	R E Q U I R E D	
(505)	Reserved	N O	E N T R Y	R E Q U I R E D	

## Depreciation and Amortization Expenses

(510)	Acct. 6560 (2210) - Depreciation and Amortization Expense - Central Office Switching Equipment	<u>37,710</u>	(510)	<u>4,453</u>	
(515)	Acct. 6560 (2220) - Depreciation and Amortization Expense - Operator System Equipment	<u>0</u>	(515)	<u>0</u>	
(520)	Acct. 6560 (2230) - Depreciation and Amortization Expense - Central Office Transmission Equipment	<u>53,334</u>	(520)	<u>62,474</u>	
(525)	Acct. 6560 (2210-2230) Depreciation and Amortization Central Office Equipment (Sum of Lines 510 Through 520)	<u>91,044</u>	(525)	<u>66,927</u>	Calculation
(530)	Acct. 6560 (2410) - Depreciation and Amortization Expense - Cable and Wire Facilities	<u>391,671</u>	(530)	<u>398,966</u>	

## Corporate Operating Expenses

(535)	Acct. 6710 - Executive and Planning Expense - Total	<u>260,279</u>	(535)	<u>255,679</u>	
(540)	Acct. 6710 - Benefits Portion Executive and Planning Expense	<u>35,776</u>	(540)	<u>32,575</u>	

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Data Line	Description	Latest View 2006-1 Amount	Data Line	Pending View 2007-1 Amount	Data Source
(550)	Acct. 6720 - General Administrative Expense - Total	450,721	(550)	409,363	
(555)	Acct. 6720 - Benefits Portion - General Administrative Expense	22,112	(555)	32,641	
(565)	Total Corporate Operations Expense (Sum of Lines 535 + 550)	711,000	(565)	665,042	Calculation

## Other Expenses and Revenues

(600)	Benefits Portion of All Operating Expenses - Total	132,979	(600)	145,314	
(610)	Rents Portion of All Operating Expenses - Total	1,532	(610)	1,532	
(620)	Reserved	NO ENTRY REQUIRED			
(630)	Reserved	NO ENTRY REQUIRED			

## Taxes

(650)	Acct. 7200 - Operating Taxes	238,679	(650)	144,416	
(655)	Reserved	NO ENTRY REQUIRED			

## IV. PART 36 - COST STUDY DATA

(700)	Acct. 2410 - Cost Study Average Cable and Wire Facilities	7,121,963	(700)	7,203,270	
(710)	Cost Study Average Cable and Wire Facilities Cat. 1 - Total Exchange Line C&WF Excluding Wide Band	6,541,551	(710)	6,407,912	

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Data Line	Description	Latest View 2006-1 Amount	Data Line	Pending View 2007-1 Amount	Data Source
<b>V. AMORTIZABLE TANGIBLE ASSETS</b> (Refer to instructions prior to completing this section)					
(800)	Acct. 2680 - Amortizable Tangible Assets	0	(800)	0	
(805)	Acct. 2680 (2230) - Amortizable Tangible Assets - Central Office Transmission Equipment	0	(805)	0	
(810)	Acct. 2680 (2230) - Amortizable Tangible Assets - Central Office Transmission Equipment Allocated to Category 4.13	0	(810)	0	
(815)	Acct. 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities	0	(815)	0	
(820)	Acct. 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated to Category 1	0	(820)	0	
(830)	Acct. 6560 (2680) - Depreciation and Amortization Expense - Amortizable Tangible Assets	0	(830)	0	

## VI. COMMENTS/SIGNIFICANT CHANGE EXPLANATION


## VI. RENT REVENUE: OFFSET TO EXPENSE

(1)	Account 6120 - General Support Expense	0	0	Correct Year Input form
(2)	Account 6210 - Central Office Switching Expense	0	0	Correct Year Input form
(3)	Account 6220 - Central Office Operator Expense	0	0	Correct Year Input form
(4)	Account 6230 - Central Office Transmission Expense	0	0	Correct Year Input form
(5)	Account 6310 - Information Orig/Term Expense	0	0	Correct Year Input form
(6)	Account 6410 - Cable & Wire Facilities Expense	0	0	Correct Year Input form
	TOTAL	0	0	Ln 1-6