

INLAND TELEPHONE COMPANY							54.313(a)(1)
WASHINGTON OPERATIONS - SAC 522423							
FIVE YEAR FORECAST - NETWORK ADDITIONS							
As they are known to the Company at the date of this Report, the planned investments and forecasted expenses related to Washington operations (Study Area Code 522423) for the period January 1, 2016 through December 31, 2020, are listed below. The Company expects to use all Universal Service Fund support received in order to fund the expenses related to the provisioning, maintenance and services provided over these upgraded facilities as well as existing facilities and to service the debt with the Rural Utility Service created in order to make these improvements; improving service quality, coverage and capacity. The Company (SAC 522423) received \$1,448,317 in federal high-cost support for the calendar year ended December 31, 2015. The Company expects that the continued receipt of Universal Service Fund support will aid the Company's efforts to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas of which all customers and potential customers in the Company's designated ETC service area will benefit.							
The Company forecasted for 2014, that upgrades to the facilities in its Prescott and Uniontown exchanges would be \$1,350,000 and \$1,430,000, respectively; upgrading fiber-to-the-node. The actual costs that were capitalized were \$1,412,768 and \$2,008,504, respectively. Besides improving voice grade service, the upgrades brought these exchanges to a broadband standard of 10 and 1.							
The Company forecasted for 2015 and 2016, that the upgrades to the facilities in its Roslyn exchange would total \$7,920,000; improving the network by upgrading to fiber-to-the-home. The Company only closed approximately \$337,000 in work orders for this project. The amounts within the RUS Loan are \$1,916,220 for electronics and \$5,107,580 for outside plant; totaling \$7,023,800 which excludes estimated Engineering of \$1,100,000. The Company has until October 16, 2016, in order to complete all RUS projects. Besides improving voice grade service, will have the ability to offer broadband Gigabit Ethernet service.							
The Company forecasted for 2015, that upgrades to the facilities in its Dewatto exchange would be \$650,000; upgrading fiber-to-the-node. As the completion of the FTTH in Roslyn is taking priority, this project is to commence in July, 2016; three miles of fiber optic cable is in a Company warehouse and the rest of the fiber has been ordered.							
The Company is planning the upgrades in its Prescott and Uniontown exchanges to be in compliance with the FCC broadband standard. At this point in time, those upgrades are scheduled for 2017, however, these may be delayed as the Company does not believe that all of its Roslyn subscribers will be fully transitioned to the FTTH prior to the onset of winter weather and therefore, the FTTH in the Roslyn exchange will not be fully completed until 2017.							
			2016	2017	2018	2019	2020
DEWATTO (372)							
Access Lines (@ 12/31/2015)	313						
Data Subscribers (@ 12/31/2015)	230						
Fiber to the Node		550,000					
Electronics		100,000					
TOTAL DEWATTO		650,000					
PRESCOTT (849)							
Access Lines (@ 12/31/2015)	148						
Data Subscribers (@ 12/31/2015)	83						
Electronics (upgrade to 25/3 standard)			250,000				
ROSLYN (649)							
Access Lines (@ 12/31/2015)	1,257						
Data Subscribers (@ 12/31/2015)	977						
New Switch		180,000					
Fiber to the Premise		5,107,580					
Electronics		1,916,220					
Engineering		1,100,000					
TOTAL ROSLYN		8,303,800					
UNIONTOWN (229)							
Access Lines (@ 12/31/2015)	506						
Data Subscribers (@ 12/31/2015)	233						
Electronics (upgrade to 25/3 standard)			400,000				
TOTAL		8,953,800	650,000	0	0	0	
FORECASTED OPERATING EXPENSES							
PLANT SPECIFIC OPERATIONS		1,298,305	1,244,720	1,196,305	1,152,448	1,112,610	
PLANT NON-SPECIFIC OPERATIONS		428,358	445,947	464,630	484,475	505,554	
ACCUMULATED DEPRECIATION		1,473,122	1,613,122	1,613,122	1,613,122	1,613,122	
CUSTOMER OPERATIONS EXPENSES		496,121	507,958	517,051	523,994	529,272	
CORPORATE OPERATIONS EXPENSES		866,789	858,925	849,851	839,856	829,189	
TOTAL OPERATING EXPENSES		4,562,695	4,670,672	4,640,959	4,613,894	4,589,746	