

**Westgate Communications LLC (dba "WeavTel")**  
**Docket UT-180035**  
**Responses to UTC Information Request**  
**August 30, 2018**

UTC Information Request

EXHIBIT 1

---

Please provide the following information by February 12, 2018, updated August 30, 2018:

---

Please note that Westgate Communications LLC (dba "WeavTel") is an S Corp and no deferred federal income taxes are recorded on the Company's books. However, deferred federal income taxes are calculated annually for the interstate cost study and state USF qualification purposes. The Company has used the members 2017 effective tax rate of 11.44 percent for the above calculations. Because WeavTel's effective tax rate is lower than the 21 percent corporate federal income tax (FIT) rate, this results in additional FIT expense rather than a tax benefit for the Company.

1. Accumulated Deferred Federal Income Tax (ADFIT) balance as of December 31, 2017, for Total Washington and Washington Intrastate.

**Response:**

See attached Exhibit 2 (Excel file), line 31 for the estimated Total Washington and Washington Intrastate amounts.

2. The amount of excess deferred income tax reserve as described in the Internal Revenue Code at 26 U.S.C. § 168(I)(9)(A)(ii) as of December 31, 2017, for Total Washington and Washington Intrastate, to comply with the TCJA.

**Response:**

See attached Exhibit 2, line 32 for the estimated Total Washington and Washington Intrastate amounts.

3. The amount of excess deferred income tax expense the Company is currently collecting through Washington Intrastate rates and charges as of January 1, 2018, through December 31, 2018.

**Response:**

As the Company's current rates are not based on a rate of return revenue requirement developed in a recent rate case, the amount of excess deferred income tax expense the Company is currently collecting through Washington Intrastate rates and charges in 2018 is not known. In addition, basic service rates have been established based on the FCC urban rate floor. Terminating intrastate access rates are being reduced based on the FCC ICC Reform Order to mirror interstate rates.

4. A proposed amortization schedule for numbers 2 and 3 (above) along with a supporting rationale for each schedule. Please identify and describe the amortization assumption, e.g., composite, average rate, or other alternative method.

**Response:**

If the Company were to propose an amortization schedule to amortize the amount identified in the response to Question 2, it would be six years based on the average remaining life of the related assets as of December 31, 2017. (Reference attached Exhibit 2, line 36.) However, WeavTel's preference would be to exclude this one-time

adjustment for excess deferred taxes from the 2017 state USF filing as the Company's effective FIT rate is below the 21 percent corporate tax rate and thus no benefit resulting from the TCJA.

5. In the event that all impacts of the TCJA are not fully known to the Company by the due date set forth in this information request, please provide a date certain by which the Company intends to supplement its response including its plans to address these impacts.

**Response:**

The amounts provided in this response are based on the Company's final 2017 cost study and 2017 federal income tax return.

6. Supporting work papers in electronic format with all formulas intact. See WAC 480-07-510(3)(c).

**Response:**

See attached Exhibit 2 provided for responses to Q1, Q2 and Q4 above.