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

8 IN RE

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10 PETITION OF HAT ISLAND TELEPHONE  
11 COMPANY, TO RECEIVE SUPPORT  
12 FROM THE STATE UNIVERSAL  
COMMUNICATIONS SERVICES  
PROGRAM

DOCKET NO.

PETITION FOR SUPPORT

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14 COMES NOW Hat Island Telephone Company (the "Company"), and, pursuant to Chapter  
15 480-123 of the Washington Administrative Code ("WAC") including, but not limited to, WAC 480-  
16 123-110, hereby petitions the Washington Utilities and Transportation Commission (the  
17 "Commission") to receive support from the State Universal Communications Services Program  
18 established in RCW 80.36.650 (the "Program") for the fiscal year ending June 30, 2019.  
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20 **I. Demonstration of Eligibility under WAC 480-123-100**

- 21 1. WAC 480-123-100(1)(a): The Company is a local exchange company as defined in WAC  
22 480-120-021 that serves less than forty thousand access lines within the state.  
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PETITION OF HAT ISLAND TELEPHONE COMPANY  
TO RECEIVE SUPPORT  
FROM THE STATE UNIVERSAL  
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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17 **II. Demonstration of Eligibility under WAC 480-123-110**

- 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: Hat Island Telephone Company.
- 20 2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between  
21 the Company and all affiliates as defined in RCW 80.16.010 is attached hereto as Exhibit 1.  
22 A detailed description of any transactions between the Company and the affiliates named in  
23 Exhibit 1 recorded in the Company's operating accounts is attached hereto as Exhibit 2.
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- 1 3. WAC 480-123-110(1)(c): A service area map for the Company can be found at Sheet No.  
2 19 of the Company's Tariff WN U-1.
- 3 4. WAC 480-123-110(1)(d): A demonstration that the Company's customers are at risk of rate  
4 instability or service interruption or cessation in the absence of support from the Program is  
5 attached as Exhibit 3.
- 6 5. WAC 480-123-110(1)(e)(i): On the Commission's prescribed form, attached as Exhibit 4,  
7 are copies of the Company's balance sheet as of December 31, 2017, and December 31,  
8 2016, and copies of the Company's statements of income and retained earnings or margin for  
9 the years ended December 31, 2017 and December 31, 2016.
- 10 6. WAC 480-123-110(1)(e)(ii): A copy of the Company's consolidated annual financial  
11 statements for the years ended December 31, 2017 and December 31, 2016, are attached as  
12 Exhibit 5.
- 13 7. WAC 480-123-110(1)(e)(iii): Information demonstrating the Company's earned rate of  
14 return on a total Washington unseparated regulated operations basis for each of the two prior  
15 years, calculated in the manner prescribed by the Commission, is provided in Exhibit 4.
- 16 8. WAC 480-123-110(1)(e)(iv): Information demonstrating the Company's earned return on  
17 equity on a total company (regulated and non-regulated) Washington basis for each of the  
18 two prior years, calculated in the manner prescribed by the Commission, is provided in  
19 Exhibit 5.
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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 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-180004 filed on or about July 16, 2018.
- 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, 2017, was 31 all of which were within the geographic area  
21 for which the Company is seeking support. The number of residential local exchange access  
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1 lines served by the Company as of December 31, 2016, was 55, all of which were within the  
2 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, 2017, was 11, 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, 2016, was 11, 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, 2017, was \$18.00. The monthly recurring rate charged by the  
11 Company for residential local exchange access service on December 31, 2016, was \$18.00.  
12 The rate charged by the Company for single line business local exchange access service on  
13 December 31, 2017, was \$25.00. The rate charged by the Company for single line business  
14 local exchange access service on December 31, 2016, was \$25.00. (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 7/1/2018 - 6/30/2019 is \$4,001 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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1 Respectfully submitted this 1st day of August, 2018.

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7 CERTIFICATION

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

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15 By: Gary Ricketts  
16 Title: Secretary/Treasurer  
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