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**BY ELECTRONIC FILING**

**AND HAND DELIVERY**

Mr. Steven V. King, Executive Director and Secretary

Washington Utilities and Transportation Commission

P.O. Box 47250

1300 South Evergreen Park Drive, SW

Olympia, WA 98504-7250

Dear Mr. King:

Re: Docket No. UT-143024 – Supplement to Petition to Receive

Support from the State Universal Communications Services Program

On or about August 1, 2014, McDaniel Telephone Co. (“Company”) submitted to the Washington Utilities and Transportation Commission (“Commission”) the Company’s Petition to Receive Support from the State Universal Communications Services Program (“Program”) established by RCW 80.36.650 (“Petition”). The Petition is currently pending before the Commission in the above-referenced docket.

By this letter, the Company is supplementing the Petition to request a one-time partial distribution in October, 2014, of support from the Program to recover the portion of Program-provided support that is in replacement of revenues previously derived by the Company from the Traditional Universal Service Fund (“USF”) intrastate access rate element.

The Petition sets forth the Company’s eligibility to receive distributions from the Program. Assuming that the Commission finds the Company to be eligible to receive such distributions and grants the Petition, a portion of the Program support to be received by the Company will reimburse the Company for the loss of revenue derived from the Traditional USF intrastate access rate element that was previously distributed to the Company through the Washington Exchange Carrier Association. The distribution of Traditional USF access rate element revenue to the Company terminated as of June 30, 2014. The reduction of other intrastate access charge revenues due to Federal Communications Commission’s decisions, along with the loss of revenue from the Traditional USF access rate element, has created a short-term cash flow issue for the Company. It is expected that once the Program is fully implemented by January 31, 2015, the need for future partial distributions by the Program, other than completion of the remainder of the first-year distribution, will no longer be necessary.

In light of the foregoing, the Company respectfully requests that the Commission authorize and cause to be distributed to the Company before November 1, 2014, a partial distribution from the Program equal to the portion of the total approved first year distribution from the Program for the Company attributable to the cessation of the distribution of revenue derived from the Traditional USF access rate element.

Respectfully submitted,

Richard A. Finnigan

cc: Client (via e-mail)