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

8 IN RE

9
10 PETITION OF KALAMA 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 Kalama 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 Program year 2017.

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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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26 PETITION OF KALAMA TELEPHONE
COMPANY TO RECEIVE SUPPORT
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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 service
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.

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: Kalama 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.

1 A detailed description of any transactions between the Company and the affiliates named in
2 Exhibit 1¹ recorded in the Company's operating accounts is attached hereto as Exhibit 2.²

- 3 3. WAC 480-123-110(1)(c): A service area map for the Company can be found at Sheet No.
4 20 in Schedule 6 of the Company's Tariff WN U-1.
- 5 4. WAC 480-123-110(1)(d): A demonstration that the Company's customers are at risk of rate
6 instability or service interruption or cessation in the absence of support from the Program is
7 attached as Exhibit 3.
- 8 5. WAC 480-123-110(1)(e)(i): On the Commission's prescribed form, attached as Exhibit 4,
9 are copies of the Company's balance sheet as of December 31, 2015, and December 31,
10 2014, and copies of the Company's statements of income and retained earnings or margin for
11 the years ended December 31, 2015 and December 31, 2014.
- 12 6. WAC 480-123-110(1)(e)(ii): A copy of the Company's consolidated annual financial
13 statements for the years ended December 31, 2015 and December 31, 2014, is attached as
14 Exhibit 5.
- 15 7. WAC 480-123-110(1)(e)(iii): Information demonstrating the Company's earned rate of
16 return on a total Washington unseparated regulated operations basis for each of the two prior
17 years, calculated in the manner prescribed by the Commission, is provided in Exhibit 4.
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22 ¹ Pursuant to agreement with the Commission Staff, Exhibit 1 is limited to those affiliates having transactions with the
23 Company that are to be identified in Exhibit 2.

24 ² Pursuant to agreement with the Commission Staff, Exhibit 2 is limited to transactions other than employment
25 compensation and benefits pursuant to employee benefit plans.

- 1 8. WAC 480-123-110(1)(e)(iv): Information demonstrating the Company's earned return on
2 equity on a total company (regulated and non-regulated) Washington basis for each of the
3 two prior years, calculated in the manner prescribed by the Commission, is provided in
4 Exhibit 4.
- 5 9. WAC 480-123-110(1)(e)(v): Information detailing all of the Company's revenues from the
6 statements of income and retained earnings or margin in the same format and detail as is
7 required to complete RUS Form 479 for the prior two years is presented on Exhibit 6.
- 8 10. WAC 480-123-110(1)(e)(vi): A statement under penalty of perjury from a Company officer
9 with personal knowledge and responsibility certifying that no corporate operations
10 adjustment to existing high-cost loop and interstate common line support mechanisms
11 required by the Federal Communications Commission applied to the Company for the two
12 prior years is attached hereto as Exhibit 7.
- 13 11. WAC 480-123-110(1)(e)(vii): Exhibit 4 contains additional supporting information
14 requested by the Commission.
- 15 12. WAC 480-123-110(1)(e)(viii): A statement under penalty of perjury from a Company
16 officer with personal knowledge and responsibility certifying that the Company complies
17 with state and federal accounting, cost allocation, and cost adjustment rules pertaining to
18 incumbent local exchange companies is attached as Exhibit 8.
- 19 13. WAC 480-123-110(1)(f): A complete copy of the FCC Form 481 filed by the Company or
20 on its behalf with the Federal Communications Commission for the calendar year preceding
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1 the current year has already been filed with the Commission. See the Company's filing in
2 Docket No. UT-160030 filed on or about June 28, 2016.

3 14. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by
4 the Company as of December 31, 2015, was 1,713, all of which were within the geographic
5 area for which the Company is seeking support. The number of residential local exchange
6 access lines served by the Company as of December 31, 2014, was 1,734, all of which were
7 within the geographic area for which the Company is seeking support. The number of
8 business local exchange access lines served by the Company as of December 31, 2015, was
9 518, all of which were within the geographic area for which the Company is seeking
10 support. The number of business local exchange access lines served by the Company as of
11 December 31, 2014, was 518, all of which were within the geographic area for which the
12 Company is seeking support. The monthly recurring rate charged by the Company for
13 residential local exchange access service on December 31, 2015, was \$16.00. The monthly
14 recurring rate charged by the Company for residential local exchange access service on
15 December 31, 2014, was \$16.00. The rate charged by the Company for single line business
16 local exchange access service on December 31, 2015, was \$21.00. The rate charged by the
17 Company for single line business local exchange access service on December 31, 2014, was
18 \$21.00. The Company has other business local exchange service rates, but the Company
19 understands that WAC 480-123-110(1)(g) is requesting the single line business local
20 exchange access service rate.
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23 15. WAC 480-123-110(1)(h): The requested statement is attached as Exhibit 9.
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1 16. The amount on Line 4, labeled 2011 ROR Carrier Base Period Revenue, of the CAF ICC
2 Data collection Report for the period 7/1/2016 - 6/30/2017 is \$746,728 and has not changed
3 from the last filing.

4 17. All exhibits attached hereto are incorporated in this Petition as though fully set forth.

5 Respectfully submitted this 28th day of July, 2016.
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8 Kalama Telephone Company

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10 CERTIFICATION

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

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18 By: _____

19 Title: President
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