

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080  
Contains Certifications Required by WAC 480-123-060 and 070

Consolidated Communications of Washington Company, LLC (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.

1. Report 1: Report on use of funds: WAC 480-123-070(1)(a):

The Company used support from the federal high-cost fund in 2018 as follows:

In 2018 the Company invested [REDACTED] to expand and upgrade its Outside Plant network in the Ellensburg, Selah, and Yelm Exchanges. These upgrades provided for a platform to deliver more reliable local service and advanced telecommunications services to customers in these exchanges. Additionally, the company invested [REDACTED] in its broadband and IP Infrastructure plus continued the process to migrate customers to the installed soft switch. The company also purchased a new bucket truck for [REDACTED].

For 2018 the Company's gross capital expenditures were [REDACTED]. The Company's 2018 operating expenses were [REDACTED].

2. Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses report under Report 1, above, benefited the customers as follows:

The customers served by the Company benefited from the use of high-cost fund support by continuing to receive high quality telecommunications services.

Through the expenditure of these funds, the Company was able to continue to provide services at a level that the Company believes meets the intent set forth in 47 U.S.C. § 254 of providing quality telecommunications services to customers in the service area for which the Company is designated as an ETC<sup>1</sup>. The Company has made substantial investments over the past several years which allow it to provide quality telecommunications services to its customers in its designated ETC service area. Those expenditures and investments, including those reflected in Report 1 above, generally benefit all customers receiving the federal high-cost fund supported services from the Company within its designated ETC service area. The Company continues to expand its network to be better capable of providing access to broadband services throughout most of the Company's designated ETC service area. The Company offers services that are comparable to services offered in urban area at rates that are comparable to rates for such services in urban areas.

3. Report 3: Local Services Outage Report: WAC 480-123-070(2):

None

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<sup>1</sup> The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

4. Report 4: Report on Failure to Provide Service: WAC 480-123-070(3):

None

5. Report 5: Report on Complaints per 1000 Connections: WAC 480-123-070(4):

Consolidated Communications of Washington Company, LLC had 3 complaints in 2018. These were received from the FCC, the BBB, and the WUTC. No complaints were received in 2018 from the Office of the Attorney General in Washington.

- FCC Complaint – Customer complained of slow internet speeds. The customer lives too far from the terminal to receive any higher bandwidth connection. The customer does receive the speed she is being billed for but she wants to upgrade to a higher package and there just isn't one available at her location.
- BBB Complaint – Customer complained of slow internet connections and hum on the voice line. A technician at the premise discovered that the hum was caused by a cheap novelty phone. When that was unplugged the hum disappeared. The customer's internet connection tested clear and solid, at or above billed speed. A review of the account showed no drops in the previous 7 days. Discussion with the customer revealed that he was highly over-utilizing the bandwidth with multiple high use devices.
- WUTC Complaint #23326-V2X8C7 – The customer complained to the WUTC regarding what she perceived to be a billing error after a change in telephone number. The company provided all necessary records and explanations for the billing on the customer's account. The complaint was closed and the disposition was "Company Upheld".

6. Report 6: Annual Plan: WAC 480-123-080(1):

As they are known to the Company at the date of this Report, the planned investment and expenses related to Washington State for the period January 1, 2019, through December 31, 2019 are [REDACTED] for Consolidated Communications of Washington Company, LLC. Of the total, [REDACTED] is related to new investment and [REDACTED] is related to maintenance expense.

[REDACTED]

The Company expects that levels of expenses will remain relatively the same as those it experienced in past calendar years, subject to the effects of inflation, other commonly experienced changes in cost of labor and materials, and increased depreciation on new investment placed in service. The Company does not anticipate major adjustments in staffing levels for the relevant period.

Report 7: Plan of Investments and Expenditures: WAC 480-123-080(2):

Detail of planned capital expenditures by category may be found in Table A, attached. The Company expects that the continued receipt of federal high-cost support will allow the Company to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas. All customers in the Company's designated ETC service area will benefit from the expected level of support by continuing to have available to them services that are comparable to the telecommunications services offered in urban areas at rates that are comparable to the rates for such services in urban areas.

Consolidated Communications of Washington Company, LLC  
WAC 480-123-080  
TABLE A

Parent Category Description	2019 Budget
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Construction/Deployment	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Capitalized Expense	[REDACTED]
2019 Budget	[REDACTED]