

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.

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

The Company used support from the federal high-cost fund in 2020 as follows:

In 2020, the Company spent [REDACTED] meeting its CAF II broadband deployment obligations in Ellensburg, Kittitas, Rainier and Yelm. It also invested [REDACTED] to expand and upgrade its existing outside plant network, providing more reliable local and advanced telecommunications services to customers throughout its footprint. Additionally, the company invested [REDACTED] in its IP and core infrastructure in order to provide additional network capacity.

For 2020 the Company's total gross capital expenditures were [REDACTED]. The Company's 2020 operating expenses were [REDACTED].

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 ETC¹. 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.

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

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

None

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

None

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

Consolidated Communications of Washington Company, LLC had the following complaints in 2020:

Attorney General – (2)

- Residential, billing/bill increase complaint, discounts had expired, new discounts added back to account.
- Residential, internet service issues, resolved with technician visit.

WA UTC – (5)

- Residential, customer thought account was put on seasonal hold, was not, account put on hold and credit issued.
- Residential, Lifeline billing questions, customer educated (same customer/complaint also filed with FCC, listed below).
- Residential, billing issues believed was being over billed, customer contacted removed additional services and credit issued.
- Business, billing PIN issues, CSR was able to verify using another method, customer brought account current and updated billing PIN.
- Residential, payment issues, card on file expired, CSR walked customer through adding updated payment info in billing portal.

FCC – (5)

- Residential, Lifeline billing questions, customer educated (same customer/complaint also filed with WA UTC, listed above).
- Residential, Lifeline qualifications/eligibility, customer educated and enrolled.
- Residential, internet service issues, resolved with technician visit.
- Residential, disputing ETF, ETF was upheld.
- Residential, internet service issues, resolved with technician visit.

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, 2020, through December 31, 2021 are [REDACTED]. Of the total, [REDACTED] is related to new investment and [REDACTED] is related to capitalized maintenance expense.

The FCC CAF II program broadband deployment obligations were completed as of December 31, 2020, with the Company reaching over 3,200 locations throughout the five year period. The Company elected not to participate in the FCC Rural Digital Opportunity Fund program for the State of Washington. Currently, the Company is working on projects outlined in its approved Petition for Funding from the Washington State Universal Communications Service program under Docket UT-200696.

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 and availability 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, even considering the continuing impacts of the COVID-19 pandemic.

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 remaining 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 for its designated ETC service area. Consolidated continues to evaluate opportunities that would facilitate the deployment of additional high-speed broadband services in its Washington markets. Since funding for broadband deployment became available to states through the Coronavirus State and Local Fiscal Recovery Funds that were part of the American Rescue Plan that was passed by Congress and signed by the President in March 2021, Consolidated has had several conversations with the Washington State Broadband Office, the Washington Independent Telecommunications Association and local government entities about possible public/private partnerships that would be eligible to receive such support.

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

| Parent Category Description | 2021 Budget |
|----------------------------------|-------------|
| WA DSL Additions | [REDACTED] |
| WA FTTH Drops | [REDACTED] |
| WA Stationary Generators | [REDACTED] |
| WA FO Test Equip | [REDACTED] |
| WA Area Growth | [REDACTED] |
| WA ILEC OSP ICB's | [REDACTED] |
| WA Area Access Equip Contingency | [REDACTED] |
| WA Area Drop Contingency | [REDACTED] |
| WA Area Fiber COE | [REDACTED] |
| WA Fleet | [REDACTED] |
| Construction/Deployment | [REDACTED] |
| WA Area Capitalized Repairs | [REDACTED] |
| WA Area Mandates - Road Move | [REDACTED] |
| WA IPC MPLS Port Exp | [REDACTED] |
| Capitalized Expense | [REDACTED] |
| 2021 Budget | [REDACTED] |