

McDaniel Telephone Company
Docket UT-180025
Responses to UTC Information Request
February 12, 2018

UTC Information Request

ATTACHMENT 1
January 12, 2018

Please provide the following information by February 12, 2018:

1. Accumulated Deferred Federal Income Tax (ADFIT) balance as of December 31, 2017, for Total Washington and Washington Intrastate.

Response:

See attached Excel file, line 48 for the estimated Total Washington and Washington Intrastate amounts.

2. The amount of excess deferred income tax reserve as described in the Internal Revenue Code at 26 U.S.C. § 168(i)(9)(A)(ii) as of December 31, 2017, for Total Washington and Washington Intrastate, to comply with the TCJA.

Response:

See attached Excel file, line 49 for the estimated Total Washington and Washington Intrastate amounts.

3. The amount of excess deferred income tax expense the Company is currently collecting through Washington Intrastate rates and charges as of January 1, 2018, through December 31, 2018.

Response:

As the Company's current rates are not based on a rate of return revenue requirement developed in a recent rate case, the amount of excess deferred income tax expense the Company is currently collecting through Washington Intrastate rates and charges in 2018 is not known. In addition, basic service rates have been established based on the FCC urban rate floor. Terminating intrastate access rates are being reduced based on the FCC ICC Reform Order.

4. A proposed amortization schedule for numbers 2. and 3. (above) along with a supporting rationale for each schedule. Please identify and describe the amortization assumption, e.g., composite, average rate, or other alternative method.

Response:

The Company proposes to amortize the amount identified in the response to Q2., over five years in order to normalize the impact for state USF qualification purposes. See attached Excel file, line 53.

5. In the event that all impacts of the TCJA are not fully known to the Company by the due date set forth in this information request, please provide a date certain by which the Company intends to supplement its response including its plans to address these impacts.

Response:

Upon completion of the Company's 2017 Cost Study and closer to completion of its 2017 federal income tax return, the Company plans to provide updated amounts on or before August 1, 2018.

6. Supporting workpapers in electronic format with all formulae and links intact. See WAC 480-07-510(3)(c).

Response:

See attached Excel file provided for responses to Q1, Q2 and Q4 above.