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

8 IN RE

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10 PETITION OF WHIDBEY TELEPHONE
11 COMPANY TO RECEIVE SUPPORT
12 FROM THE STATE UNIVERSAL
13 COMMUNICATIONS SERVICES
14 PROGRAM

DOCKET NO.
PETITION FOR SUPPORT

15 COMES NOW Whidbey Telephone Company (the "Company") and, pursuant to Chapter
16 480-123 of the Washington Administrative Code ("WAC") including, but not limited to, WAC 480-
17 123-110, hereby petitions the Washington Utilities and Transportation Commission (the
18 "Commission") to receive support from the State Universal Communications Services Program
19 established in RCW 80.36.650 (the "Program") for the fiscal year ending June 30, 2017.

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 WHIDBEY TELEPHONE
COMPANY TO RECEIVE SUPPORT
FROM THE STATE UNIVERSAL
COMMUNICATIONS SERVICES
PROGRAM - 1

CONFIDENTIAL PER WAC 480-07-160
REDACTED

- 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 services
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.
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16 **II. Demonstration of Eligibility under WAC 480-123-110**

- 17 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: Whidbey Telephone Company.
- 20 21 2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between
22 the Company and all affiliates as defined in RCW 80.16.010, except individual officers and
23 directors, is attached hereto as Exhibit 1. A detailed description of any transactions between
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1 the Company and the affiliates named in Exhibit 1, as well as officers and directors of the
2 Company,¹ recorded in the Company's operating accounts is attached hereto as Exhibit 2.

- 3 3. WAC 480-123-110(1)(c): Service area maps for the Company can be found at Sheet Nos.
4 300 and 301 of the Company's Tariff WN U-5.
- 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 hereto as Exhibit 3.
- 8 5. WAC 480-123-110(1)(e)(i): On the Commission's prescribed form, attached hereto as
9 Exhibit 4, are copies of the Company's balance sheet as of December 31, 2015, and
10 December 31, 2014, and copies of the Company's statements of income and retained
11 earnings or margin for 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
14 hereto as 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.
- 18 8. WAC 480-123-110(1)(e)(iv): Information demonstrating the Company's earned return on
19 equity on a total company (regulated and non-regulated) Washington basis for each of the
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24 ¹ Pursuant to agreement with the Commission Staff, Exhibit 2 is limited to transactions other than
25 employment compensation and benefits pursuant to employee benefit plans.

1 two prior years, calculated in the manner prescribed by the Commission, is provided in
2 Exhibit 4.

3 9. WAC 480-123-110(1)(e)(v): Information detailing all of the Company's revenues from the
4 statements of income and retained earnings or margin in the same format and detail as is
5 required to complete RUS Form 479 for the prior two years is presented on Exhibit 6
6 attached hereto.

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8 10. WAC 480-123-110(1)(e)(vi): Information detailing the amounts of any corporate operations
9 adjustment to existing high-cost loop and interstate common line support mechanisms
10 required of the Company by the Federal Communications Commission for the past two
11 years is attached hereto as Exhibit 7.

12 11. WAC 480-123-110(1)(e)(vii): Exhibit 4 contains additional supporting information
13 requested by the Commission.

14 12. WAC 480-123-110(1)(e)(viii): A statement under penalty of perjury from a Company
15 officer with personal knowledge and responsibility certifying that the Company complies
16 with state and federal accounting, cost allocation, and cost adjustment rules pertaining to
17 incumbent local exchange companies is attached hereto as Exhibit 8.

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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
21 the current year has already been filed with the Commission. See the Company's filing in
22 Docket No. UT-160030 filed on or about July 1, 2016.
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1 14. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by
2 the Company as of December 31, 2015, was 7,987, all of which were within the geographic
3 area for which the Company is seeking support. The number of residential local exchange
4 access lines served by the Company as of December 31, 2014, was 8,328, all of which were
5 within the geographic area for which the Company is seeking support. The number of
6 business local exchange access lines served by the Company as of December 31, 2015, was
7 1,695, all of which were within the geographic area for which the Company is seeking
8 support. The number of business local exchange access lines served by the Company as of
9 December 31, 2014, was 1,809, all of which were within the geographic area for which the
10 Company is seeking support. The monthly recurring rate charged by the Company for
11 residential local exchange access service on December 31, 2015, was \$16.00. The monthly
12 recurring rate charged by the Company for residential local exchange access service on
13 December 31, 2014, was \$16.00. The rate charged by the Company for single line business
14 local exchange access service on December 31, 2015, was \$16.50. The rate charged by the
15 Company for single line business local exchange access service on December 31, 2014, was
16 \$16.50. (The Company has other business local exchange service rates, but the Company
17 understands that WAC 480-123-110(1)(g) is requesting the single line business local
18 exchange access service rate.)
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21 15. WAC 480-123-110(1)(h): The specified statement is attached hereto as Exhibit 9.
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1 16. All exhibits attached hereto are incorporated in this Petition as though fully set forth.

2 17. The amount on line 4, titled "2011 ROR Carrier Base Period Revenue", of the CAF ICC

3 Data Collection Report for the period 7/1/16 – 6/30/17 has not changed from prior filings.

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5 Respectfully submitted this 30th day of July, 2016.

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8 WHIDBEY TELEPHONE COMPANY

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10 CERTIFICATION

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

15 Dated at Langley, Washington this 30th day of July, 2016.

16 By: _____

17 Title: Secretary/Treasurer