

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
INFORMATION REQUEST REGARDING THE TCJA  
UPDATED RESPONSE IN DOCKET UT-180017  
BY ELLENSBURG TELEPHONE COMPANY  
d/b/a CONSOLIDATED COMMUNICATIONS  
SEPTEMBER 24, 2018**

**UTC-001-001**

**IR.** Please provide the Accumulated Deferred Federal Income Tax (ADFIT) balance as of December 31, 2017, for Total Washington and Washington Intrastate?

**A.** The ADFIT balances as of December 31, 2017 are:

Ellensburg Telephone Company:	\$ 1,207,783	Total WA
	\$ 729,742	WA Intrastate

**UPDATE**

**A.** The ADFIT balances as of December 31, 2017 are:

Ellensburg Telephone Company:	\$ 966,341	Total WA
	\$ 583,863	WA Intrastate

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**UTC-001-002**

**IR.** Please provide 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.

**A.** The adjustment to the accumulated deferred income tax balance reflecting the excess deferred income tax amount as of December 31, 2017 is:

Ellensburg Telephone Company:	\$ 595,850	Total WA
	\$ 360,013	WA Intrastate

**UPDATE**

**A.** The adjustment to the accumulated deferred federal income tax balance reflecting the excess deferred income tax amount as of December 31, 2017 is:

Ellensburg Telephone Company:	\$ 644,227	Total WA
	\$ 389,242	WA Intrastate

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**UTC-001-003**

**IR.** Please provide 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.

**A.** As Ellensburg'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 that Ellensburg 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's urban rate floor requirements. Terminating intrastate access rates are being reduced based on the FCC ICC Reform Order to mirror interstate rates.

**UPDATE**

**A.** No change.

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**UTC-001-004**

**IR.** Please provide 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.

**A.** Ellensburg is not proposing to amortize any potential impacts of the TCJA.

**UPDATE**

**A.** No change.

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**UTC-001-005**

**IR.** 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.

**A.** Consolidated anticipates being able to analyze the TCJA fully and provide any necessary supplemental response by August 15, 2018.

**UPDATE**

**A.** For 2017, Consolidated filed a 1st short period return (January - June 2017) for the former FairPoint and is working to complete the full year legacy Consolidated return combined with the 2nd short period (July - December) for the former FairPoint. This combined full year filing will be made in Q4 2018. However, the Company has not in recent years and does not anticipate in the near term future paying federal income tax, thus it will not recognize a "cash" benefit from the TCJA. This is as a result of lower taxable income due to operating results, significant federal net operating loss carryforwards and continued deductions for accelerated and bonus depreciation.

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**UTC-001-006**

**IR.** Please provide the supporting workpapers in electronic format with all formulae and links intact. See WAC 480-07-510(3)(c).

**A.** Please see attachment WUTC TCJA Deferred FIT Schedule (UT-180017).

**UPDATE**

**A.** Please see attachment WUTC TCJA Deferred FIT Schedule (UT-180017)\_Updated.