

WASHINGTON UNIVERSAL SERVICE COMMUNICATIONS PROGRAM
WAC 480-123-130 REPORT

July 1, 2015

Docket No. UT-141541

File electronically

Access Lines Served - WAC 480-123-130(1)(a)

	January 1, 2014	December 31, 2014
Residential	1495	1390
Business	194	285

Use of Support - WAC 480-123-130(1)(b)

The funds received by the Company from the universal service communications program represents monies that the Company formerly received through the Washington Exchange Carrier Association pooling process. As such, the funds from the universal service communications program contributed to the ongoing operation and maintenance expenses of the Company. The funds from the universal service communication program are contributing to the Company's ongoing provision of high-quality basic telecommunications service to customers residing in the area the Company serves.

In addition, the Company undertook a project to completely replace 100% of our 40 year old copper network with fiber optic cable. The total cost of the project is budget for \$18,000,000.00. During the year 2014, the project employed many local citizens which also benefited the community. We have completed all placement of mainline fiber and fiber drops. Nearly 50% of the homes and businesses passed have been cut-over to fiber. All remaining customers shall be cut-over to fiber by year end 2016. All anchor institutions in our service area have been cut-over to fiber and Toledo School District now has a gigabit internet connection to the world. The funds received from the universal service communications program are critical to contributing to the Company's ability to perform that project including, without limitation, the repayment of loan funds.¹

Unfilled Consumer Requests for New Basic Telecommunications Service* (WAC 480-123-130(1)(c))

None

¹ Editor's note - this narrative will need to change slightly for next year's report since funds will be received in 2015 related to CAF shortfall. Also note that project descriptions can include broadband projects.

* Service requests that are ongoing but still within normal processing times are not counted as unfulfilled.

FCC Form 477 - WAC 480-123-130(1)(e)

Please see the attached FCC form 477. Currently portions of FCC Form 477 submitted to the FCC in an electronic file format do not create a readable report of the data. The FCC is aware of this issue and is developing reports that should be available no later than August 1 and will include 2014. If these reports are not available by this date, the Company will work with Staff to provide this information in an agreed upon format and in a timely manner.

Report on Operational Efficiencies/Business Plan Modifications - WAC 480-123-130(1)(f)

The company has made great strides in overall operation efficiency over the last 5 years. Through attrition and consolidation of work force duties, the company staffing levels have decreased by over 40%. However, the Company continually reviews its operations to determine if efficiencies can be achieved. The Company already has a plan in place to concentrate on improving broadband service while continuing to provide high-quality basic telecommunications service to the customers that are located within the area that the Company serves. The fiber network upgrade has already reduced repair costs and the Company expects to see further reductions as the project is completed. The funds received from the universal communications program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

Other information - WAC 480-123-130(1)(g) and (h)

None

Certified Statement as required by WAC 480-123-130(1)(d):

I, Dale Merten am an officer of The Toledo Telephone Company, Inc., and upon personal knowledge and with responsibility therefore, hereby certify under penalty of perjury, that The Toledo Telephone Company, Inc. materially complied with Commission rules under Chapter 480-120 WAC that are applicable to the Company and its provision of service within the area for which the Company received universal service communications program support.


C.O.O.