REPORT AS REQUIRED BY WAC 480-123-070 AND WAC 480-123-080 CENTURYTEL OF WASHINGTON, INC. CENTURYTEL OF INTER-ISLAND, INC.

CenturyTel of Washington, Inc. (the "Company") and CenturyTel of Inter-Island, Inc. (the "Company") hereby submits the following report in accordance with WAC 480-123-070 and WAC 480-123-080.

WAC 480-123-070(1)(a): Attached is a copy of the Company's NECA-1 Report for the calendar year 2005, that, as of the date of this report, the Company has submitted to NECA. The plant investment and expense amounts listed on NECA-1 represent the basis for federal high cost funding support associated with the Company's operations in 2005.

WAC 480-123-070(1)(b): The Company reports that the investment in plant and the expenses reported on the 2005 NECA-1 report submitted herewith provide very direct and substantial benefits to consumers. Over the years the Company has invested hundreds of millions of dollars in building and then maintaining and operating a telecommunications network in the state of Washington. It is the growth, enhancement and continued viability of this network that gives consumers in the Company's service territory access to services that are vital in meeting their telecommunications needs. The expenditures reflected in the Company's NECA-1 report have allowed the Company to provide services that meet the expectations addressed in 47 U.S.C. 254 for consumers in the service area for which the Company is designated as an ETC.

The expenditures reflected in the Company's NECA-1 were directed to assuring that the network is positioned to meet the ever increasing needs and expectations of consumers. The company's expenditures included projects to increase network capacity. For example, projects that added fiber to the network increased the network's capacity. Consumers benefit from increased capacity in that it allows additional consumers to join or access the network, allows additional services to be offered over the network, and reduces the likelihood that calls will be blocked.

Company expenditures have also gone to maintaining and increasing network reliability. For example, expenditures are included for projects that address backup power via batteries and generators. Ability to access the network during periods of power outages clearly benefits the health and safety of consumers. Network reliability also benefits consumers by generally increasing the overall quality of service.

¹ The NECA-1 report does not identify expenditures at the project level. The projects underlying the expenditures on NECA-1 would tend to be very similar to those identified in response to WAC 480-123-080 (1) (b) which does identify certain planned expenditures at the project level.

WAC 480-123-070(4): The Company reports that there were four complaints during calendar year 2005 to the Federal Communications Commission and eight complaints to the Consumer Protection Division of the Office of the Attorney General of Washington in 2005 concerning the services provided to its customers. This translates to a number of complaints per 1,000 lines of approximately .07. The Company submits herewith a schedule entitled "CenturyTel 2005 Washington Attorney General and FCC Complaints." The schedule generally describes each complaint and the Company's efforts to resolve each complaint.

WAC 480-123-080(1)(b): The Company submits herewith a schedule entitled "2006 Planned Investment." The schedule is not all-inclusive of the Company's planned capital expenditures but does list some of the more significant projects the Company is undertaking in 2006. The schedule is quite detailed with regard to equipment, location and cost and therefore constitutes valuable commercial information in the form of network configuration and design information as recognized under RCW 80.04.095. Therefore the schedule is being submitted as a CONFIDENTIAL document under WAC 480-07-160. The Company also expects to incur expenses associated with maintaining and operating its network in the state of Washington at a level that will be similar to the expenses indicated on the 2005 NECA-1 form submitted in response to WAC 480-123-070(1)(a).

WAC 480-123-080(2): The Company states that federal support will be used only for the provision, maintenance and upgrading of the facilities and services for which the support is intended under 47 U.S.C. 254. The federal support will be used to fund operation of and improvements to the network including various projects included on the 2006 Planned Investment schedule as well as expenses at a level similar to that indicated on the 2005 NECA-1 form submitted in response to WAC 480-123-070(1)(a). The Company's use of federal support in this manner will benefit consumers. As discussed previously in this report, these types of expenditures will serve to sustain and improve network capacity and reliability. This network capacity and reliability is essential to providing the level of service anticipated in 47 U.S.C. 254 and therefore benefits consumers.

For more specific consumer benefits associated with planned expenditures, the Company incorporates by reference the column of the 2006 Planned Investment schedule that is entitled "Narrative." The narrative for each project on the schedule identifies specific improvements that will benefit consumers in specific areas.

² The schedule includes projects for CenturyTel of Washington, Inc., CenturyTel of Inter-Island, Inc and CenturyTel of Cowiche, Inc.

AFFIDAVIT CONTAINING CERTIFICATIONS AS REQUIRED BY WAC 480-123-060 AND WAC 480-123-070

I, Jeffrey Glover, being of lawful age and duly sworn, on my oath state that I am Vice President External Relations of CenturyTel of Washington, Inc. ("Company") and CenturyTel of Inter-Island, Inc. ("Company"), that I am authorized to execute this Affidavit on behalf of the Company, and that the facts set forth in this Affidavit are true to the best of my knowledge, information and belief. On this basis, I hereby certify to the Washington Utilities and Transportation Commission ("Commission") for use by the Commission in providing the certification to the Federal Communications Commission and Universal Service Administrative Company required by 47 C.F.R. §54.314, as follows:

- (1) That the federal high-cost universal service fund support received by the Company will be used only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;
- (2) That during the 2005 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);
- (3) That during the 2005 calendar year, the Company maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wireline carriers in emergency situations; and
- (4) That during the 2005 calendar year, the Company publicized the availability of its applicable telephone assistance programs in a manner reasonably designed to reach those likely to qualify for service, including residents of federally recognized Indian Reservations and in a manner which, in the Company's judgment, included advertisements likely to reach those who are not current customers of the Company within the Company's designated service area.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated this 21st day of August, 2006

Company: CenturyTel of Washington, Inc and CenturyTel of Inter-Island, Inc.

Its: Vice President External Relations

SUBSCRIBED AND SWORN to before me this <u>215</u>[†] day of August, 2006 at Monroe, Louisiana.

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N... E... C... A... INC. 08/03/2006 USF1010 ERROR REPORT 09:58:13 Page 1/ 2

APPLIES TO PERIOD:	YEAR END 12/2005	REG:	2	SOUTHERN
CONTACT NAME:	Donnie Aultman	SST:	2	SUBSET 2
	(318)-388-9497 EXT:			CenturyTel, Inc.
	SPECIAL RELEASED	co:	000002408	CenturyTel of Washington,
SOFT EDIT STATUS:	PASSED EDIT	SAR:	522408	CENTURYTEL-WASHINGTO

	DESCRIPTI	ION		PENDING VIEW	MESSAGE
0.00	TOTAL LOC)DC		180,061	
060	CAT. 1.3			174,197	
070	ACCOUNT	2001		616,053,331	
160		1220		0	
170	ACCOUNT	3100		329,212,088	
190				46,687	
195		3400		54,418,750	
210	NET PLANT	4340 r	TO MENT	232,375,806	
220	ACCOUNT	2210	TREENT	96,427,071	•
230		2210		0	
235	ACCOUNT	2230		144,399,298	
240	ACCOUNT) P P T C P	240,826,369	
245	TOTAL CE			91,238,790	
250	CKT EQU		4.13	346,105,350	
255		2410	(2210)	50,100,962	
260	ACCOUNT	3100	(2210) (2220)	0	
265	ACCOUNT		•	91,060,999	
270			(2230)	141,161,961	
275			2210-2230)	175,320,276	
280	ACCOUNT	3100	(2410) (2210)	8,517,835	
310		4340	•	0,317,633	
315		4340	(2220)	12,755,437	
320	ACCOUNT	4340	(2230)	21,273,272	
325		OCURRE		30,573,036	
330	ACCOUNT	4340	(2410)	241,316	
335	ACCOUNT	6110	TOTAL	31,308	
340	ACCOUNT	6110	BENEFITS	1,327	
345	ACCOUNT	6110	RENTS	2,758,037	
350	ACCOUNT	6120	TOTAL	179,710	
355	ACCOUNT	6120	BENEFITS	292,296	
360	ACCOUNT	6120	RENTS	5,554,200	
365	ACCOUNT	6210	TOTAL	977,015	
370	ACCOUNT	6210	BENEFITS	51,988	
375	ACCOUNT	6210	RENTS	0	
380	ACCOUNT	6220	TOTAL	0	
385	ACCOUNT	6220	BENEFITS	0	
390	ACCOUNT	6220	RENTS	2,733,748	
395	ACCOUNT	6230	TOTAL	401,296	
400	ACCOUNT	6230	BENEFITS	68,662	
405	ACCOUNT	6230	RENTS	•	
410	ACCOUNT	6210-		8,287,948 13,530,637	
430	ACCOUNT	6410	TOTAL	2,559,658	
435	ACCOUNT	6410	BENEFITS	1,620,277	
440	ACCOUNT	6410	RENTS	24,817,938	
445	TOTAL PI			4,930,836	
450	ACCOUNT	6530	TOTAL		
455	ACCOUNT	6530	BENEFITS	924,006	
510	ACCOUNT	6560	(2210)	5,374,520	
515	ACCOUNT	6560	(2220)	10 246 290	
520	ACCOUNT	6560	(2230)	10,346,290	
525		6560	(2210-2230)	15,720,810	
530	ACCOUNT	6560	(2410)	14,409,305	

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APPLIES TO PERIOD: YEAR END 12/2005 REG: 2 SOUTHERN

CONTACT NAME: Donnie Aultman SST: 2 SUBSET 2

CONTACT PHONE: (318)-388-9497 EXT: OO: 200000016 CenturyTel, Inc.

RELEASE STATUS: SPECIAL RELEASED CO: 000002408 CenturyTel of Washington,

SOFT EDIT STATUS: PASSED EDIT SAR: 522408 CENTURYTEL-WASHINGTO

	DESCRIPTION	PENDING VIEW	MESSAGE
535	ACCOUNT 6710 TOTAL	1,646,604	
540	ACCOUNT 6710 BENEFITS	586,143	
550	ACCOUNT 6720 TOTAL	9,980,563	
555	ACCOUNT 6720 BENEFITS	1,219,597	
565	SUM OF LINES 535 + 550	11,627,167	
600	BEN. POR.OF ALL OP. EXP.	8,819,689	
610	RENT POR. OF ALL OP. EXP	2,035,104	
650	ACCOUNT 7200 OTHER TAXES	24,156,293	
700	2410 (C S TOTAL CWF - AV)	341,392,177	
710		332,157,730	
800	ACCOUNT 2680 TOTAL	0	
805	ACCOUNT 2680 (2230)	0	
810	ACCOUNT 2680 (CAT. 4.13)	0	
815	ACC 2680 (2410) TOTAL CWF	0	
820	ACC 2680 (2410) CWF-CAT1	0	
830	ACCOUNT 6560 (2680)	0	
	Control Total:	3,531,655,771	

COMMENTS:

Account Number

Source

WA Attorney General

Date Received 3/3/2005

Problem

Customer does not think she was given Lifeline credits and wants six months of credit. Customer states service was not disconnected when requested. Customer also disputes that calls from Elma to Aberdeen are long distance calls.

Resolution

Our investigation states that the customer has had Lifeline credits since July 2004. The customer requested service to be suspended as of September 22, 2004. His service was not suspended until October 1, 2004. The customer was issued a credit of \$22.86 for service from September 22, 2004 to October 1, 2004. CenturyTel also explained to the customer that calls from Elma to Aberdeen are not local.

Customer Name

Account Number

Source

WA Attorney General

Date Received 9/6/2005

Problem

The customer is upset about having to pay a deposit.

Resolution

When the customer applied for telephone service, he had a below average credit score. CenturyTel received a copy of the customer's credit history from Qwest and the deposit was subsequently waived.

Account Number

Source

WA Attorney General

Date Received 5/4/2005

Problem

The customer is disputing that he wasn't instructed to return the medical certificate to CenturyTel within 5 days.

Resolution

On 4/5/2005, the customer had a past due balance and called to make payment arrangements on a returned check. The customer also stated he had a medical need. CenturyTel faxed the customer a medical certificate on 4/6/05. The customer's service was disconnected on 4/13/05 because CenturyTel had not received the medical certificate back. The customer made a payment of \$314.00 on 4/13/05 and service was restored that same day.

Customer Name

Account Number

Source

WA Attorney General

Date Received 8/30/2005

The customer is disputing the way his billing statement reflects the balance forward in with the current charges.

Resolution

A chart using one of the customer's bills was made and sent to the customer as an example. CenturyTel also explained the bill layout.

Account Number

Source

WA Attorney General

Date Received 9/9/2005

Problem

The customer is disputing charges for Caller ID and the Caller ID box

Resolution

CenturyTel removed the caller id feature from the customers account and issued the customer a credit of \$35.44. The credit reflects billing from the date Caller ID was added to her account until the date it was removed.

Customer Name

Account Number

Source

WA Attorney General

Date Received 10/24/2005

Problem

The customer is disputing her long distance being restricted due to the fact that she owes long distance charges.

Resolution

The customer's long distance was restricted due to past due charges pursuant to Washington rules.

<u>Customer Name</u>

Account Number

Source

WA Attorney General

Date Received 12/27/2005

Problem

The customer is upset about static on his phone line. The customer has requested that CenturyTel replace his defective underground phone line with a new underground line.

Resolution

CenturyTel offered to replace the underground line with an aerial line at no charge.

Customer Name

Account Number

Source

WA Attorney General

Date Received 10/26/2005

Problem

The customer is requesting that his number be ported to Lingo.

Resolution

CenturyTel currently does not have an interconnection agreement with Lingo to port our phone numbers to them. Once the interconnection agreement is established, the customers' number will be ported.

Account Number

Source

FCC

Date Received 7/19/2005

Problem

The customer is disputing double billing of long distance charges on her account.

Resolution

The customer had an incorrect Intralata long distance PIC code on her account. The customer was issued a credit in the amount of \$836.62.

Customer Name

Account Number

Source

FCC

Date Received 5/20/2005

Problem

The customer is disputing charges on his billing statement.

Resolution

The customer changed his phone number and failed to notify his long distance carrier which caused him to be casually billed. CenturyTel issued credits of \$526.71 and \$316.18 to resolve this issue.

Account Number

Source FCC

Date Received 9/30/2005

Problem

The customer is disputing charges associated with the LNP fee.

Resolution

The customer was explained why he is billed the LNP.

<u>Customer Name</u>

Account Number

Source FCC

Date Received 10/6/2005

Problem

The customer states that his direct debit card information for her account was not updated which caused her account to be come delinquent.

Resolution

The customer called in and updated her credit card information. Her account no longer has a past due balance.

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