

**UNITED TELEPHONE COMPANY OF THE NORTHWEST
ANNUAL USF REPORT**

Report on the Use of Federal Funds and Benefits to Customers

United Telephone Company of the Northwest Washington Operations dba Embarq (“UTNW WA” or “Embarq”) received [REDACTED] in Interstate Access Support in 2005.

During 2005, UTNW WA expended [REDACTED] in Ordinary Repair Expense, [REDACTED] in Rearrangements and Changes, and [REDACTED] in Other Plant Expense

Additionally, UTNW WA made capital investments of \$7.7M. Some of the projects that were undertaken that relate to universal services were:

Distribution growth	[REDACTED]
Feeder growth	[REDACTED]
Pair Gain growth	[REDACTED]
Interoffice growth	[REDACTED]
Host growth	[REDACTED]
Line card growth	[REDACTED]
Power/Battery Replacement	[REDACTED]
Generators	[REDACTED]
Rehabilitation	[REDACTED]
Defective Cable Replacement	[REDACTED]
Generic software	[REDACTED]

The interoffice, distribution, feeder and pair gain growth were primarily for Poulsbo, White Salmon, Sunnyside and Brinnon.

Some of the benefits that accrued to UTNW WA customers as a result of these expenditures were:

1. Plant was well-maintained in safe and serviceable condition so that customers had high-quality access to the public switched network.
2. Facilities and capacity were made available for customers in new areas.
3. The back-up power that was installed will provide customers with continuous telephone service in the event of a commercial power outage in compliance with WAC 480-120-411.

CONFIDENTIAL PER WAC 480-07-160

Local Service Outage Report

Embarq is subject to WAC 480-120-412

Report on Failure to Provide Service

Embarq is subject to WAC 480-120-439

Complaints Per One Thousand Access Lines

In 2005 Embarq had a total of four (4) complaints made to the office of the Attorney General (AG). (.004/1K access lines)

Three complaints were related to disputed charges. All disputed charges were adjusted as a credit on the customer's bill.

One complaint was related to products and services. The products/services were removed.

A total of five (5) complaints were made to the Federal Communications Commission (FCC). (.005/1K access lines)


Two complaints were related to charges being disputed. Credit adjustments were made to each account.

Two complaints were related to dissatisfaction with the explanation. Satisfactory explanations were provided to the customer in each case.

One complaint was related to a refund credit for a sales promotion. The customer was provided a satisfactory explanation and a credit adjustment.

Annual Plan for Universal Service Support Expenditures

UTNW WA plans to make capital expenditures between October 2006 and September 2007 as follows:

Growth	
Operations Requirements	
Safety	
All Others	
Total	

Additionally, UTNW WA Ordinary Repair, Rearrangements & Changes, and Other Plant Specific expenses are expected to remain in the same range as in 2005.

These expenditures will benefit customers by ensuring UTNW WA plant is maintained in good working order, and that sufficient facilities and capacity exist to meet customer needs.

CONFIDENTIAL PER WAC 480-07-160

United Telephone Company of the Northwest dba Embarq
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