

On May 1, 2018, in the compliance filing (regarding condition 5.1) the last sentence of your narrative description stated the following:

“With regard to CenturyTel of Cowiche, Inc. & CenturyTel of Inter-Island Inc. the majority of decline in expenses is due to a reduction in buried metallic and non-metallic cable rental expenses.”

Please provide a more detailed explanation as to what reduced cable “rental expenses” you are referring to (eg. last mile, middle mile, etc.). Please also compare the specific rental expenses incurred over the last four years for these two companies (including the vendors used for each of the last four years for each type of cable specified). Please also provide any other information that would be helpful toward a better understanding of the nature and causes of the overall decline in the maintenance expenses for CenturyTel of Cowiche and CenturyTel of Inter-Island.

Response: As reported, there was a decline in buried metallic and non-metallic cable rental expenses for CenturyTel of Cowiche, Inc. & CenturyTel of Inter-Island Inc. This decline was in error. The cause of the decline originated from a change in internal payment process for circuits which inadvertently resulted in circuit expense not being recorded correctly for CenturyTel of Cowiche, Inc. & CenturyTel of Inter-Island Inc. This will be corrected for 2018. Adjusting for the error in 2017 would cause the per access line maintenance expense to go higher (\$213 per access line for CenturyTel of Cowiche, Inc. and \$195 per access line for CenturyTel of Inter-Island Inc.)