

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

July 1, 2015

Docket No. UT-143024
McDaniel Telephone Company

File electronically

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

	January 1, 2014	December 31, 2014
Residential	3,010	2,993
Business	512	515

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.

The Company reports that the investments and expenses reported in the FCC Form 481 benefited the customers by maintaining and expanding the network to continue providing high quality telecommunications and broadband services including making the necessary capital additions to serve new customers and add capacity at DSA 41300. The support has also allowed the company to sustain the current local technical support staff therefore avoiding delayed repairs and maintenance.

In June 2014, the Company also completed the stimulus-funded project that included the installation of about 10 miles of fiber optics cabling and six cabinets. More than 400 residents around Onalaska and Salkum gained access to high-speed Internet service in this area. TDS projected the cost at nearly \$1.6 million. TDS invested 25 percent (nearly \$400,000) and the RUS grant covered 75 percent.

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

None

* 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)

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 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 is part of a major holding company which results in efficiencies and economies of scale that are not available to most Rural LECs and there are continuous efforts to find more ways to cut costs while improving voice and broadband services. 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)

N/A

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

I, Kevin G. Hess, am an officer of McDaniel Telephone Company, and upon personal knowledge and with responsibility therefore, hereby certify under penalty of perjury, that McDaniel Telephone Company 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.

Kevin G. Hess

Executive Vice President

Title