

WT-111305-C1
Om 9:15-11
Regular Agenda

HoodCanal
COMMUNICATIONS

Cable TV - Voice - Broadband - Cellular

July 19, 2011

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Request for Certification Pursuant to WAC 480-123-060 and
47 C.F.R. §54.314

RECEIVED
RECORDS MANAGEMENT
2011 JUL 20 AM 8:46
STATE OF WASH.
UTIL. AND TRANSPORTATION
COMMISSION

Dear Ms. Washburn:

Pursuant to WAC 480-123-060, Hood Canal Telephone Co., Inc. ("Company") hereby requests that the Washington Utilities and Transportation Commission certify that the Company has met the requirements of 47 C.F.R. §54.314 for eligibility for continued receipt of federal high-cost funds.

The certifications and reports that are specified in WAC 480-123-060, WAC 480-123-070 and WAC 480-123-080 are enclosed.

For the Commission's information, in addition to the Lifeline advertisement covered in the enclosed certification, the Company runs an advertisement on our local television channel continuously, posts Lifeline/WTAP information in both the Union and Shelton offices, distributes Lifeline/WTAP information flyers when door tagging new customers, and posts Tribal Lifeline information at the tribal center and in tribal newsletters. Also, the Company experienced no major outages for 2010 and had no requests for service from applicants within the Company's designated service area that was unfilled for the calendar year 2010.

Sincerely,



Richard Buechel
President

Enclosures

**AFFIDAVIT CONTAINING CERTIFICATIONS
PURSUANT TO WAC 480-123-060 AND WAC 480-123-070**

I, Richard Buechel, being of lawful age, state that I am President of Hood Canal Telephone Company ("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 Company will use federal high-cost universal service fund support only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;
- (2) That during the 2010 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);
- (3) That during the 2010 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 2010 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 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 19th day of July, 2011, at Union, Washington.

Company: HOOD CANAL TELEPHONE COMPANY

By: Richard Buechel
Richard Buechel

Its: President

**REPORTS AS REFERENCED IN WAC 480-123-070
AND WAC 480-123-080**

Hood Canal Telephone Co., Inc. (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.¹

Report 1: WAC 480-123-070(1)(a): Attached are copies of the Company's NECA-1 Reports for the calendar years 2009 and 2010, that, as of the date of the report, the Company has reported as the basis for support from the federal high-cost fund.

Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses reported under Report 1, above, benefited customers as follows:

Through the expenditure of these funds, the Company was able to continue to provide services at a level that the Company believes meets the intent set forth in 47 U.S.C. §254 of providing quality telecommunications services to customers in the service area for which the Company is designated as an ETC.² The Company has made substantial investments over the past several years which allow it to provide quality telecommunications services to its customers in its designated ETC service area. Those expenditures and investments, including those reflected in Report 1 above; generally benefit all customers receiving the federal high-cost fund supported services from the Company within its designated ETC service area. The Company has expanded its network over the past several years so that it is capable of providing access to broadband services throughout the Company's designated ETC service area. The Company offers services that are comparable to services offered in urban areas at rates that are comparable to the rates for such services in urban areas.

Report 3: WAC 480-123-070(4): The Company reports that during the calendar year 2010, the Company did not receive from either the Federal Communications Commission or the Consumer Protection Division of the Office of the Attorney General of the State of Washington any complaints against the Company made by the Company's customers.

Report 4: WAC 480-123-080(1)(b): The Company reports as follows:

As they are known to the Company at the date of this Report, the planned investment and expenses related to Washington state for the period January 1, 2011, through December 31, 2011, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2010, subject to the effects of inflation and other commonly experienced changes in cost of

¹ It is the Company's understanding that it is not required to submit the reports described in WAC 480-123-070(2) and (3).

² The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

labor and materials. The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company's investment plans directly affecting federal high-cost supported services offered by it in its designated ETC service area do not include a major construction project at the present time. The Company expects that it will have similar level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2010.

Report 5: WAC 480-123-080(1)(a) and WAC 480-123-080(2): The Company reports as follows:

As they are known to the Company at the date of this Report, the planned investment and expenses related to Washington state for the period January 1, 2012, through December 31, 2012, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2010, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials. The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company's investment plans directly affecting federal high-cost supported services offered by it in its designated ETC service area do not include a major construction project at the present time. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2012. The Company expects that the continued receipt of federal high-cost support will allow the Company to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas. All customers in the Company's designated ETC service area will benefit from the expected level of support by continuing to have available to them services that are comparable to the telecommunications services offered in urban areas at rates that are comparable to the rates for such services in urban areas.



USF1010 PENDING VIEW REPORT

Applies to Period:	Year End 12/2010	Reg: 6	WESTERN	Subset 3
Contact Name:	Jennifer Goos	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-898-5366 Ext:	OO: *****		
Release Status:	Special Released	Co: 000002419	Hood Canal Tel. Co.	
Soft Edit Status:	Failed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Pending View	Source
060 Total Loops	1,008	EC
070 Cat. 1.3 Loops	1,004	EC
160 Account 2001	5,914,074	EC
170 Account 1220	64,552	EC
190 Account 3100	5,541,584	EC
195 Account 3400	0	EC
210 Account 4340	10,594	EC
220 Net Plant Investment	426,448	EC
230 Account 2210	1,155,566	EC
235 Account 2220	0	EC
240 Account 2230	1,274,696	EC
245 Total Central Office	2,430,262	EC
250 Ckt Equip Cat 4.13	734,094	EC
255 Account 2410	2,788,072	EC
260 Account 3100 (2210)	1,129,412	EC
265 Account 3100 (2220)	0	EC
270 Account 3100 (2230)	1,245,845	EC
275 Account 3100 (2210-2230)	2,375,257	EC
280 Account 3100 (2410)	2,496,003	EC
310 Account 4340 (2210)	12,465	EC
315 Account 4340 (2220)	0	EC
320 Account 4340 (2230)	-2,618	EC
325 Account 4340 (2210-2230)	9,847	EC
330 Account 4340 (2410)	9,200	EC
335 Account 6110 Total	167,723	EC
340 Account 6110 Benefits	14,848	EC
345 Account 6110 Rents	143,023	EC
350 Account 6120 Total	233,461	EC
355 Account 6120 Benefits	13,535	EC
360 Account 6120 Rents	136,759	EC
365 Account 6210 Total	215,098	EC
370 Account 6210 Benefits	40,947	EC
375 Account 6210 Rents	0	EC
380 Account 6220 Total	0	EC
385 Account 6220 Benefits	0	EC
390 Account 6220 Rents	0	EC
395 Account 6230 Total	33,931	EC
400 Account 6230 Benefits	3,441	EC
405 Account 6230 Rents	0	EC
410 Account 6210-6230	249,029	EC
430 Account 6410 Total	163,688	EC
435 Account 6410 Benefits	35,762	EC
440 Account 6410 Rents	0	EC
445 Total Plant Specific	813,901	EC
450 Account 6530 Total	74,350	EC
455 Account 6530 Benefits	19,984	EC
510 Account 6560 (2210)	58,201	EC
515 Account 6560 (2220)	0	EC
520 Account 6560 (2230)	70,370	EC



USF1010 PENDING VIEW REPORT

Applies to Period:	Year End 12/2010	Reg: 6	WESTERN	Subset 3
Contact Name:	Jennifer Goos	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-898-5366 Ext:	OO: *****		
Release Status:	Special Released	Co: 000002419	Hood Canal Tel. Co.	
Soft Edit Status:	Failed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Pending View	Source
525 Account 6560 (2210-2230)	128,571	EC
530 Account 6560 (2410)	153,929	EC
535 Account 6710 Total	193,908	EC
540 Account 6710 Benefits	45,959	EC
550 Account 6720 Total	353,855	EC
555 Account 6720 Benefits	35,869	EC
565 Sum of Lines 535 + 550	547,763	EC
600 Ben. Por. of all Op. Exp.	286,793	EC
610 Rent Por. of all Op. Exp.	279,782	EC
650 Account 7200 Other Taxes	46,428	EC
700 2410 (C S Total CWF - AV)	2,798,168	EC
710 2410 (C S CWF - Cat.1)	2,495,359	EC
800 Account 2680 Total	0	EC
805 Account 2680 (2230)	0	EC
810 Account 2680 (Cat. 4.13)	0	EC
815 Acc 2680 (2410) Total CWF	0	EC
820 Acc 2680 (2410)CWF-Cat1	0	EC
830 Account 6560 (2680)	0	EC

Date: 7/19/2011

1. Line 320 - Deferred federal income taxes is calculated as a debit amount between tax and booked depreciation.
2. Line 700 (\$2,798,168) is higher than Line 255 (\$2,788,072) due to removing additional Part 64 costs in current year CWF.
3. Rents increased significantly in the current year. All buildings and large construction vehicles are being leased.



USF1010 PENDING VIEW REPORT

Applies to Period:	Year End 12/2009	Reg: 6	WESTERN	Subset 3
Contact Name:	Jennifer Goos	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-898-5366 Ext:	OO: *****		
Release Status:	Special Released	Co: 000002419	Hood Canal Tel. Co.	
Soft Edit Status:	Failed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Pending View	Source
060 Total Loops	1,294	EC
070 Cat. 1.3 Loops	1,290	EC
160 Account 2001	6,047,219	EC
170 Account 1220	29,031	EC
190 Account 3100	5,497,334	EC
195 Account 3400	0	EC
210 Account 4340	-24,842	EC
220 Net Plant Investment	603,758	EC
230 Account 2210	1,276,420	EC
235 Account 2220	0	EC
240 Account 2230	1,216,039	EC
245 Total Central Office	2,492,459	EC
250 Ckt Equip Cat 4.13	698,802	EC
255 Account 2410	2,808,264	EC
260 Account 3100 (2210)	1,229,012	EC
265 Account 3100 (2220)	0	EC
270 Account 3100 (2230)	1,170,874	EC
275 Account 3100 (2210-2230)	2,399,886	EC
280 Account 3100 (2410)	2,368,382	EC
310 Account 4340 (2210)	-17,534	EC
315 Account 4340 (2220)	0	EC
320 Account 4340 (2230)	-3,245	EC
325 Account 4340 (2210-2230)	-20,779	EC
330 Account 4340 (2410)	10,394	EC
335 Account 6110 Total	86,751	EC
340 Account 6110 Benefits	9,722	EC
345 Account 6110 Rents	0	EC
350 Account 6120 Total	122,985	EC
355 Account 6120 Benefits	7,078	EC
360 Account 6120 Rents	-42,610	EC
365 Account 6210 Total	184,602	EC
370 Account 6210 Benefits	37,903	EC
375 Account 6210 Rents	0	EC
380 Account 6220 Total	0	EC
385 Account 6220 Benefits	0	EC
390 Account 6220 Rents	0	EC
395 Account 6230 Total	27,008	EC
400 Account 6230 Benefits	3,742	EC
405 Account 6230 Rents	0	EC
410 Account 6210-6230	211,610	EC
430 Account 6410 Total	173,767	EC
435 Account 6410 Benefits	41,283	EC
440 Account 6410 Rents	0	EC
445 Total Plant Specific	595,113	EC
450 Account 6530 Total	81,156	EC
455 Account 6530 Benefits	22,394	EC
510 Account 6560 (2210)	123,123	EC
515 Account 6560 (2220)	0	EC
520 Account 6560 (2230)	135,986	EC



USF1010 PENDING VIEW REPORT

Applies to Period: Year End 12/2009
Contact Name: Jennifer Goos
Contact Phone: (360)-898-5366 Ext:
Release Status: Special Released
Soft Edit Status: Failed Edit

Reg: 6
MSM: 020007494
OO: *****
Co: 000002419
SAR: 522419

WESTERN
Melody Crane
Hood Canal Tel. Co.
HOOD CANAL TEL CO

Subset 3

Description	Pending View	Source
525 Account 6560 (2210-2230)	259,109	EC
530 Account 6560 (2410)	174,138	EC
535 Account 6710 Total	156,209	EC
540 Account 6710 Benefits	47,165	EC
550 Account 6720 Total	282,007	EC
555 Account 6720 Benefits	31,199	EC
565 Sum of Lines 535 + 550	438,216	EC
600 Ben. Por. of all Op. Exp.	305,289	EC
610 Rent Por. of all Op. Exp.	42,610	EC
650 Account 7200 Other Taxes	25,814	EC
700 2410 (C S Total CWF - AV)	2,777,674	EC
710 2410 (C S CWF - Cat.1)	2,401,366	EC
800 Account 2680 Total	0	EC
805 Account 2680 (2230)	0	EC
810 Account 2680 (Cat. 4.13)	0	EC
815 Acc 2680 (2410) Total CWF	0	EC
820 Acc 2680 (2410)CWF-Cat1	0	EC
830 Account 6560 (2680)	0	EC

Comments:

Date: 7/27/2010

1. Line 310 & 320 - Deferred federal income taxes is calculated as a debit amount between tax and booked depreciation.