



Cable TV - Voice - Broadband - Cellular

July 15, 2014

Mr. Steven King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Eligible Telecommunications Carriers' Annual Certification on High Cost
Fund Pursuant to WAC 480-123-060, 070, 080 and 47 C.F.R. §54.314

Dear Mr. King:

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 attached and will be filed electronically.

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 2013 and had no requests for service from applicants within the Company's designated service area that were unfilled for the calendar year 2013.

Sincerely,

A handwritten signature in blue ink that reads "Richard Buechel". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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 the President of Hood Canal Telephone Co., 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 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 2013 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

(3) That during the 2013 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 2013 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 15th day of July 2014, at Union, Washington.

Company: Hood Canal Telephone Co., Inc.

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 2012 and 2013, 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 2013, 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, 2014, through December 31, 2014, 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 2013, 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 2013.

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, 2015, through December 31, 2015, 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 2013, 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's budgeted 2015 investment and expenses are expected to be relatively the same as 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 the continued receipt of federal high-cost support will aide the Company's efforts to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas. However, the Company projects that with reductions in intercarrier compensation and associated federal support, those efforts will need to be supplemented by support from the state universal service fund for the Company to be able to continue to maintain reasonably comparable rates. All customers in the Company's designated ETC service area will benefit from the expected level of support and other factors, such as support from the state fund, continuing to aide efforts to have available to the customer 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

6/5/2014
4:51:00 pm
Page 1 of 2

Applies to Period:	Year End 12/2013	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:	Passed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Pending View	Source
060 Total Loops	913	EC
070 Cat. 1.3 Loops	911	EC
160 Account 2001	6,176,261	EC
170 Account 1220	38,793	EC
190 Account 3100	5,440,242	EC
195 Account 3400	0	EC
210 Account 4340	101,735	EC
220 Net Plant Investment	673,077	EC
230 Account 2210	813,162	EC
235 Account 2220	0	EC
240 Account 2230	1,183,617	EC
245 Total Central Office	1,996,779	EC
250 Ckt Equip Cat 4.13	740,705	EC
255 Account 2410	3,108,080	EC
260 Account 3100 (2210)	776,880	EC
265 Account 3100 (2220)	0	EC
270 Account 3100 (2230)	1,104,622	EC
275 Account 3100 (2210-2230)	1,881,502	EC
280 Account 3100 (2410)	2,759,171	EC
310 Account 4340 (2210)	41,809	EC
315 Account 4340 (2220)	0	EC
320 Account 4340 (2230)	12,049	EC
325 Account 4340 (2210-2230)	53,858	EC
330 Account 4340 (2410)	41,196	EC
335 Account 6110 Total	240,170	EC
340 Account 6110 Benefits	27,247	EC
345 Account 6110 Rents	116,329	EC
350 Account 6120 Total	242,830	EC
355 Account 6120 Benefits	25,585	EC
360 Account 6120 Rents	85,988	EC
365 Account 6210 Total	147,016	EC
370 Account 6210 Benefits	14,677	EC
375 Account 6210 Rents	2,317	EC
380 Account 6220 Total	0	EC
385 Account 6220 Benefits	0	EC
390 Account 6220 Rents	0	EC
395 Account 6230 Total	160,156	EC
400 Account 6230 Benefits	37,161	EC
405 Account 6230 Rents	7,599	EC
410 Account 6210-6230	307,172	EC
430 Account 6410 Total	135,716	EC
435 Account 6410 Benefits	33,269	EC
440 Account 6410 Rents	6,163	EC
445 Total Plant Specific	925,888	EC
450 Account 6530 Total	156,399	EC
455 Account 6530 Benefits	39,411	EC
510 Account 6560 (2210)	62,725	EC
515 Account 6560 (2220)	0	EC
520 Account 6560 (2230)	44,299	EC



USF1010 PENDING VIEW REPORT

Applies to Period:	Year End 12/2013	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:	Passed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Pending View	Source
525 Account 6560 (2210-2230)	107,024	EC
530 Account 6560 (2410)	28,307	EC
535 Account 6710 Total	287,210	EC
540 Account 6710 Benefits	72,514	EC
550 Account 6720 Total	378,122	EC
555 Account 6720 Benefits	41,841	EC
565 Sum of Lines 535 + 550	665,332	EC
600 Ben. Por. of all Op. Exp.	380,569	EC
610 Rent Por. of all Op. Exp.	218,396	EC
650 Account 7200 Other Taxes	34,284	EC
700 2410 (C S Total CWF - AV)	3,065,133	EC
710 2410 (C S CWF - Cat.1)	2,877,387	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:



USF1010 LATEST VIEW REPORT

5/30/2014
5:23:05 pm
Page 1 of 2

Applies to Period:	Year End 12/2012	Reg: 6	WESTERN	Subset 3
Contact Name:	Jennifer Goos	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-898-5366 Ext:	OO: *****		
Release Status:	Released	Co: 000002419	Hood Canal Tel. Co.	
Soft Edit Status:	Passed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Latest View
060 Total Loops	948
070 Cat. 1.3 Loops	946
160 Account 2001	5,985,438
170 Account 1220	38,648
190 Account 3100	5,169,671
195 Account 3400	0
210 Account 4340	95,256
220 Net Plant Investment	759,159
230 Account 2210	781,228
235 Account 2220	0
240 Account 2230	1,158,062
245 Total Central Office	1,939,290
250 Ckt Equip Cat 4.13	716,174
255 Account 2410	3,022,188
260 Account 3100 (2210)	690,924
265 Account 3100 (2220)	0
270 Account 3100 (2230)	1,028,547
275 Account 3100 (2210-2230)	1,719,471
280 Account 3100 (2410)	2,723,988
310 Account 4340 (2210)	59,033
315 Account 4340 (2220)	0
320 Account 4340 (2230)	9,839
325 Account 4340 (2210-2230)	68,872
330 Account 4340 (2410)	17,216
335 Account 6110 Total	157,493
340 Account 6110 Benefits	22,993
345 Account 6110 Rents	108,106
350 Account 6120 Total	233,247
355 Account 6120 Benefits	28,996
360 Account 6120 Rents	89,028
365 Account 6210 Total	221,122
370 Account 6210 Benefits	48,919
375 Account 6210 Rents	2,977
380 Account 6220 Total	0
385 Account 6220 Benefits	0
390 Account 6220 Rents	0
395 Account 6230 Total	41,768
400 Account 6230 Benefits	9,054
405 Account 6230 Rents	7,503
410 Account 6210-6230	262,890
430 Account 6410 Total	155,310
435 Account 6410 Benefits	45,245
440 Account 6410 Rents	5,181
445 Total Plant Specific	808,940
450 Account 6530 Total	116,831
455 Account 6530 Benefits	37,254
510 Account 6560 (2210)	105,170
515 Account 6560 (2220)	0
520 Account 6560 (2230)	9,879



USF1010 LATEST VIEW REPORT

5/30/2014
5:23:05 pm
Page 2 of 2

Applies to Period:	Year End 12/2012	Reg:	6	WESTERN	Subset 3
Contact Name:	Jennifer Goos	MSM:	020007494	Melody Crane	
Contact Phone:	(360)-898-5366 Ext:	OO:	*****		
Release Status:	Released	Co:	000002419	Hood Canal Tel. Co.	
Soft Edit Status:	Passed Edit	SAR:	522419	HOOD CANAL TEL CO	

Description	Latest View
525 Account 6560 (2210-2230)	115,049
530 Account 6560 (2410)	120,779
535 Account 6710 Total	185,459
540 Account 6710 Benefits	60,959
550 Account 6720 Total	352,111
555 Account 6720 Benefits	50,450
565 Sum of Lines 535 + 550	537,570
600 Ben. Por. of all Op. Exp.	380,242
610 Rent Por. of all Op. Exp.	212,795
650 Account 7200 Other Taxes	34,664
700 2410 (C S Total CWF - AV)	3,018,831
710 2410 (C S CWF - Cat.1)	2,835,341
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

Comments:

Date: 12/5/2013 Adjustment Type: NECA Initiated

1. To correct DL's 190 and 650 per USF reconciliation