

UT-141547 SI

July 31, 2014

BY HAND

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

Dear Mr. King:

Re: 2014 ETC Certification -

Request for Certification Pursuant to

WAC 480-123-060 and 47 C.F.R. § 54.314

Pursuant to WAC 480-123-060, Western Wahkiakum County Telephone Company ("Company") hereby requests that the Washington Utilities and Transportation Commission ("Commission") certify to the Federal Communications Commission and the Universal Service Administrative Company 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.

Sincerely,

Steven M. Appelo Corporate Secretary

Enclosures

CERTIFICATIONS PURSUANT TO WAC 480-123-060 AND WAC 480-123-070

- I, Steven M. Appelo, being of lawful age, state that I am Corporate Secretary of Western Wahkiakum County Telephone Company ("Company"), that I am authorized to execute these Certifications on behalf of the Company, and that the facts set forth in these Certifications 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 the 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, and that all federal high-cost support provided to the Company within the State of Washington has been used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance and upgrading of facilities and services for which the support is intended;¹
- That during the 2013 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);
- 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
- 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 31st day of July, 2014, at Olympia, Washington.

Company: Western Wahkiakum County Telephone Company

Its: Corporate Secretary

¹ As used herein, the terms "preceding calendar year" and "coming calendar year" are intended to have the same meaning as those terms have in 47 C.F.R. § 54.314(a).

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

Western Wahkiakum County Telephone Company (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.

Report 1: WAC 480-123-070(1)(a): Attached is a copy of the Company's NECA-1 Report² for the calendar year 2013, that, as of the date of the report, the Company has reported as the basis for support from the federal high-cost fund. In addition, attached is a copy of the Company's NECA-1 Report for the calendar year 2012.

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 high quality telecommunications services to customers in the service area for which the Company is designated as an ETC.³ The Company has made substantial expenditures and 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 services⁴ from the Company within its designated ETC service area. Also, during 2013, the Company was engaged in a number of major construction projects, including the following:

(1) Construction of new, buried fiber optic routes along Oneida Road, starting at the junction of Oneida Road with State Route 4, and going westerly for a distance of approximately 4.9 miles, together with approximately half a mile along State Route 4, all in the Company's Grays River Exchange. The cost incurred by the Company in 2013 to complete this project was approximately \$225,811. This project has enhanced service reliability and capacity for approximately 17 customers along its route.

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 Company understands the reference to the "NECA-1 Report" to refer to the values reported by the Company in response to the National Exchange Carrier Association, Inc. Universal Service Data Collection Form or its on-line equivalent pertaining to the subject year.

The term "ETC" is used herein with the same meaning as the term is used in Chapter 480-123 WAC.

⁴ References herein to services supported by the federal high-cost fund refer to the services designated for support as set forth in 47 C.F.R. § 54.101(a).

(2) Construction of new, buried fiber optic routes along State Route 4, from approximately MP 3.06 to Holm Lane, then along the length of Holm Lane, then also on State Route 101 from the intersection with Government Road, east to the junction of State Route 101 with State Route 4, and then northerly along State Route 101 to approximately MP 31.48, (together with approximately 3,000 feet along Mill Ranch Road starting at approximately MP 27.18), for a total distance of approximately 7.9 miles, all in the Company's Grays River Exchange. The cost incurred by the company in 2013 to complete this project was approximately \$249,991. This project has enhanced service reliability and capacity for approximately 21 customers along its route, as well as providing backbone capacity to serve other portions of the company's designated ETC service area.

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 to them by the Company's customers.

Report 4: WAC 480-123-080(1)(b) and (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 calendar year 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 for calendar year 2013 filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. While the Company's budgeting process for 2015 is not yet complete, based upon currently known circumstances, the Company expects investment and expense related to Washington state for 2015 that the Company expects to use as a basis to request federal high-cost support to be relatively similar to the calendar year 2014 amounts, again taking into account normal fluctuations in investment and expense levels.

In addition, the following projects have either been completed during 2014, are in progress and are expected to be completed during 2014, or are expected to be constructed during 2015:

[continued on page 3]

2014:

- (1) Construction of new, buried fiber optic routes along North Hull Creek Road, from its intersection with State Route 4 to the end of North Hull Creek Road, for a distance of approximately 3.31 miles, all in the Company's Grays River Exchange. This project has already been completed in 2014. The cost incurred by the Company in 2014 to complete this project was approximately \$224,273. This project has enhanced service reliability and capacity for approximately 33 customers.
- (2) Construction of new, buried fiber optic routes along Loop Road, from Fairview Road to Barr Road, for a distance of approximately 2.42 miles. Also included in this project is new fiber optic cable along the length of Raistakka Road, from State Route 4 to the end of Raistakka Road, for a distance of approximately 1.33 miles. This project, all of which is within the Company's Grays River Exchange, is expected to be completed in 2014, and the cost expected to be incurred in 2014 for this project is estimated to be approximately \$250,000. This project will enhance service reliability and capacity for approximately 43 customers.
- (3) Construction of fiber drops (from hand hold to building) and ONT shell mounts in the Company's Naselle Exchange. This project is expected to be completed in 2014, and the cost expected to be incurred in 2014 for this project is estimated to be approximately \$129,000. This project is expected to accelerate the cutover of customers to fiber connections, which will enhance service reliability and capacity for approximately 364 customers.

2015:

(4) Construction of new, buried fiber optic routes within the Grays River Exchange, along sections of Mattson Road (for approximately 7,300 feet), Pillar Rock Road (for approximately 3,870 feet), Hoikka Road (for approximately 5,444 feet), and Eden Valley Road (for approximately 10,000 feet), for a total distance of approximately 26,614 feet. This project is expected to serve an area of approximately 5 square miles in the vicinity of the abovementioned roads, with an estimated population of 85. This project is expected to be executed in 2015, and the cost expected to be incurred in 2015 for this project is estimated to be approximately \$250,000. This project is expected to enhance service reliability and capacity for the above-mentioned population.

(5) Construction of new, buried fiber optic routes within the Grays River Exchange, along Altoona Pillar Rock Road (for approximately 9,722 feet) and Barr Road (for approximately 12,780 feet), for a total distance of approximately 22,552 feet. This project is expected to serve an area of approximately 7 square miles in the vicinity of the above-mentioned roads, with an estimated population 87. This project is expected to be executed in 2015, and the cost expected to be incurred in 2015 for this project is estimated to be approximately \$250,000. This project is expected to enhance service reliability and capacity for the above-mentioned population.

Except as described above in this Report 4 and subject to the effects of inflation and other commonly experienced changes in the cost of labor and materials, the Company currently expects the levels of investment and expenses incurred by it during calendar years 2014 and 2015, respectively, will be relatively the same as those it experienced in calendar year 2013, due to the continuing impact of regulatory changes and the uncertainties of the Federal Communication Commission reforms that are still being developed. The Company further expects that, except as described above in this Report 4, for calendar years 2014 and 2015, respectively, it will have relatively the same budget level of expenditures and investment related to normal maintenance, replacement and minor upgrades of plant as occurred in calendar year 2013.

In addition to the specific benefits to customers identified with respect to projects (1) through (4) above, the expected benefit to customers from the anticipated investment and expenditures is that the Company's customers will continue to receive a high level of telecommunications service. The Company further expects that the continued receipt by it of federal high-cost support will help facilitate the Company's efforts to continue to provide the supported services at rates that are reasonably comparable to the rates for such services in urban areas; however, the Company projects that with reductions in intercarrier compensation and associated federal support, as well as other reductions in federal high-cost fund support, that support 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 federal high-cost fund support by continuing to have available to them services that are reasonably comparable to telecommunications services offered in urban areas at rates that, if adequately supported by other factors, such as the state universal service fund, are reasonably comparable to the rates for such services in urban areas.

Dated: July 31, 2014

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Subset

USF1010 PENDING VIEW REPORT



Applies to Period: Year End 12/2013 Reg: WESTERN Contact Name: Carol Larson MSM: 020007494 Melody Crane Contact Phone: (360)-465-2211 Ext: 00: ***** Release Status: Not Released Co: 000002451 Western Wahkiakum County Tel. Co. Soft Edit Status: Failed Edit SAR: 522451 WESTERN WAHKIAKUM Description Pending View Source 060 **Total Loops** 1.048 EC 070 Cat. 1.3 Loops 1,041 EC 160 Account 2001 17,982,855 EC 170 Account 1220 333,112 EC 190 Account 3100 12,689,850 EC 195 Account 3400 EÇ 210 935,709 EC Account 4340 220 Net Plant Investment 4,690,408 EC 230 Account 2210 1,581,896 EC 235 Account 2220 EC 240 Account 2230 2,554,734 EC 245 **Total Central Office** 4,136,630 EC 250 Ckt Equip Cat 4.13 1,893,114 EC 255 12,180,780 EC Account 2410 260 Account 3100 (2210) 1,632,376 EC 265 Account 3100 (2220) EC 0 270 2,636,809 EC Account 3100 (2230) 4,269,185 275 Account 3100 (2210-2230) EC 280 Account 3100 (2410) 6,988,531 ΕÇ 310 Account 4340 (2210) 8,985 EC 315 Account 4340 (2220) 0 EC 320 Account 4340 (2230) -5,914 EC 325 Account 4340 (2210-2230) 3,071 EC 330 934,928 Account 4340 (2410) EC 335 Account 6110 Total 9.214 EC 340 EC Account 6110 Benefits 0 345 Account 6110 Rents 0 EC 350 Account 6120 Total 70.829 EC 355 Account 6120 Benefits EC 12,118 360 Account 6120 Rents EC 365 Account 6210 Total 135,562 EC 370 37,195 Account 6210 Benefits EC 375 Account 6210 Rents 0 EC 380 0 Account 6220 Total EC 385 Account 6220 Benefits 0 EC 390 0 EC Account 6220 Rents 395 Account 6230 Total 86,974 EC 400 Account 6230 Benefits 17,877 EC 405 EC Account 6230 Rents 0 410 Account 6210-6230 222,536 EC 430 Account 6410 Total 162,444 EC 435 Account 6410 Benefits 50,769 EC 440 Account 6410 Rents 834 EC 445 **Total Plant Specific** 465,023 EC 450 Account 6530 Total 551,002 EC 455 Account 6530 Benefits 158,703 EC 510 Account 6560 (2210) 64,534 EC 515 Account 6560 (2220) 0 EC 520 Account 6560 (2230) 159,559 EC

USF1010 PENDING VIEW REPORT



Applies to Period: Year End 12/2013 Subset 3 Reg: 6 **WESTERN** Contact Name: Carol Larson MSM: 020007494 Melody Crane Contact Phone: (360)-465-2211 Ext. 00: ****** Release Status: Not Released 000002451 Co: Western Wahkiakum County Tel. Co. Soft Edit Status: Failed Edit SAR: 522451 WESTERN WAHKIAKUM Description Pending View Source 525 Account 6560 (2210-2230) 224,093 EC 530 Account 6560 (2410) 318,232 EC 535 Account 6710 Total EC 0 540 Account 6710 Benefits 0 EC 550 Account 6720 Total 910,916 EC 555 Account 6720 Benefits 209,474 EC 565 Sum of Lines 535 + 550 910,916 EC 600 Ben. Por. of all Op. Exp. 514,507 EC 610 Rent Por. of all Op. Exp. EC 834 650 Account 7200 Other Taxes 221,390 EC 700 2410 (C S Total CWF - AV) 11,854,831 EC 710 2410 (C S CWF - Cat.1) 11,110,181 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

0

0

EC

EC

Comments:

Acc 2680 (2410)CWF-Cat1

Account 6560 (2680)

820

830



USF1010 LATEST VIEW REPORT



410

430

435

440

445

450

455

510

515

520

Account 6210-6230

Account 6410 Total

Account 6410 Benefits

Account 6410 Rents

Total Plant Specific

Account 6530 Total

Account 6530 Benefits

Account 6560 (2210)

Account 6560 (2220)

Account 6560 (2230)

Subset 3 Applies to Period: Year End 12/2012 Reg: 6 **WESTERN** Contact Name: Carol Larson MSM: 020007494 Melody Crane ***** Contact Phone: (360)-465-2211 Ext: 00: Release Status: Special Released Co: 000002451 Western Wahkiakum County Tel. Co. Passed Edit SAR: Soft Edit Status: 522451 WESTERN WAHKIAKUM Description Latest View 060 **Total Loops** 1,008 070 998 Cat. 1.3 Loops 160 17,363,521 Account 2001 170 Account 1220 78.061 190 Account 3100 12,203,229 195 Account 3400 0 210 882,780 Account 4340 220 4,355,573 Net Plant Investment 230 Account 2210 1,621,475 235 Account 2220 240 2,552,826 Account 2230 4,174,301 245 **Total Central Office** 250 Ckt Equip Cat 4.13 1,880,826 255 11,528,881 Account 2410 260 Account 3100 (2210) 1,679,532 265 Account 3100 (2220) 0 270 Account 3100 (2230) 2,477,250 275 Account 3100 (2210-2230) 4,156,782 280 Account 3100 (2410) 6,670,299 310 Account 4340 (2210) 14,014 315 Account 4340 (2220) 0 320 Account 4340 (2230) 26,424 325 Account 4340 (2210-2230) 40,438 330 Account 4340 (2410) 834,283 335 Account 6110 Total 9,913 340 Account 6110 Benefits 0 345 Account 6110 Rents 0 350 Account 6120 Total 52,243 355 Account 6120 Benefits 9,057 360 Account 6120 Rents 0 365 137,832 Account 6210 Total 370 Account 6210 Benefits 29.583 375 Account 6210 Rents 0 0 380 Account 6220 Total 385 0 Account 6220 Benefits 390 Account 6220 Rents 0 395 Account 6230 Total 97,132 400 Account 6230 Benefits 17,404 405 0 Account 6230 Rents

234,964

192,459

489,579

552,578

159,148 47,093

292,219

44,155

834

0



USF1010 LATEST VIEW REPORT



Soft Edit Status:

Subset 3 Applies to Period: Year End 12/2012 Reg: 6 **WESTERN Contact Name:** Carol Larson MSM: 020007494 Melody Crane ***** Contact Phone: (360)-465-2211 Ext: 00: Release Status: Special Released Co: 000002451 Western Wahkiakum County Tel. Co.

SAR:

522451

WESTERN WAHKIAKUM

Description		Latest View	
525	Account 6560 (2210-2230)	339,312	
530	Account 6560 (2410)	583,081	
535	Account 6710 Total	0	
540	Account 6710 Benefits	0	
550	Account 6720 Total	993,023	
555	Account 6720 Benefits	209,961	
565	Sum of Lines 535 + 550	993,023	
600	Ben. Por. of all Op. Exp.	496,436	
610	Rent Por. of all Op. Exp.	834	
650	Account 7200 Other Taxes	80,526	
700	2410 (C S Total CWF - AV)	11,061,073	
710	2410 (C S CWF - Cat.1)	10,161,393	
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: 6/11/2013

1. Lns. 060,070 Loop loss result of competitive and economic pressures.

Passed Edit

2. Lns. 700,710 Growth result of full impact upon the 2012 cost data averaging by the FTTH projects completed in 2011.

Date: 6/12/2013

 Lns 550 and 555. Result of allocation of overheads in 2012 vs those in 2011. In 2011 overheads were assigned to other accounts to reflect the impact of FTTH projects. No such impact in 2012.