



June 30, 2015

BY UTC WEB PORTAL

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: 2015 ETC Certification and Reports -
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 accompany this letter.

Sincerely,

Steven M. Appelo
President

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Accompany documents

ETC ANNUAL REPORTS PER WAC 480-123-070 AND WAC 480-123-080

July 1, 2015
Western Wahkiakum County Telephone Company

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

1. Report 1: Report on use of funds: WAC 480-123-070(1)(a):

The Company used support from the federal high-cost fund in the calendar year 2014 as follows: To support investments made by the Company in telecommunications plant used to provide voice services, broadband services and other telecommunications services, and to defray operating expenses incurred by the Company in its provision of those services.

In the calendar year 2014, the Company's gross capital expenditures and operating expenses paid, in whole or in part, with support from the federal high-cost fund were \$2,687,460 and \$2,729,403, respectively.¹

Major projects undertaken or completed in the calendar year 2014 include the following:

- (1) Construction, including new, buried fiber optic routes within the Naselle Exchange and 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 serves an area of approximately 5 square miles in the vicinity of the above-referenced roads, with an estimated population of 85 people. This project's costs came to approximately \$268,000. This project has enhanced service reliability and capacity for approximately 85 people;
- (2) Construction, including 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 serves an area of approximately 7 square miles in the vicinity of the above-referenced roads with an estimated population of 87 people. This project's costs came to approximately \$241,000. It has enhance service reliability and capacity for approximately 87 people;

¹ The amounts shown in this sentence are prior to Part 64 adjustments, if any.

- (3) Construction, including new, buried fiber optic routes within the Grays River Exchange, along sections of Mill Road (for approximately 8,924 feet) and Larson Road (for approximately 800 feet). The costs of this project came to approximately 275,000 feet. This project has enhanced service reliability and capacity for approximately 14 people;
- (4) Construction, including new, buried fiber optic routes within the Grays River Exchange, along sections of Altoona Pillar Rock Road south of Eden Valley Road (for approximately 20,000 feet). This project serves an area of approximately 4 square miles in the vicinity of the above-referenced roads, with an estimated population of 41 people. This project's costs came to approximately \$246,000. This project has enhanced service reliability and capacity for approximately 41 people;
- (5) Construction, including new, buried fiber optic routes within the Grays River Exchange, along a section of Covered Bridge Road, (for approximately 20,000 feet). The project's costs came to approximately \$148,000. This project has enhanced service reliability and capacity for approximately 23 people;
- (6) Construction, also including new, buried fiber optic routes within the Grays River Exchange, along Deep River [Road?] (for approximately 13,000 feet)., This project serves an area of approximately 2 square miles in the vicinity of the above-referenced roads, with an estimated population of 56. This project's costs came to approximately \$256,000. This project has enhanced service reliability and capacity for approximately 56 people;
- (7) Construction included new, buried fiber optic routes within the Grays River Wire Center, along a section of Deep River Road (for approximately 14,000 feet). This project serves an area of approximately 2 square miles in the vicinity of the above referenced roads, with an estimated population of 31. This project's costs came to approximately 248,000. This project has enhanced service reliability and capacity for approximately 31 people; and
- (8) Construction, including construction of new, buried fiber optic routes within the Grays River Exchange, along Deep River Road (for approximately 14,000 feet). This project serves an area of approximately 2 square miles in the vicinity of the above-referenced roads, with an estimated population of 22 people. This project's costs came to approximately \$234,000. This project has enhanced service reliability and capacity for approximately 22 people.

Attached is a copy of the Company's NECA-1 Report² for the calendar year 2013. Per direction of Commission Staff, a copy of the Company's NECA -1 report for the calendar year 2014, that, as of the date of the report, the Company will have reported as the basis for support from the federal high-cost fund, will be provided to the Commission when it becomes available and no later than August 1, 2015.

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

Consumers served by the Company, as well as those consumers of other telecommunications service providers who may have communicated with the Company's customers utilizing telecommunications services provided by the Company, benefited from the use of high-cost fund support by continuing to receive high quality telecommunications services. Direct benefits within the Company's service area of specific projects are detailed in Report 1 above.

Through the expenditure of the federal high-cost support 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.³ 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 most of 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 rates for such services in urban areas.

3. Report 3: Local Services Outage Report: WAC 480-123-070(2):

None

4. Report 4: Report on Failure to Provide Service: WAC 480-123-070(3):

None

5. Report 5: Report on Complaints per 1000 Connections: WAC 480-123-070(4):

None

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.

³ The term "ETC" is used herein with the same meaning as the term is used in Chapter 480-123 WAC.

6. Report 6: Annual Plan: WAC 480-123-080(1):

As they are known to the Company at the date of this Report, the Company's planned gross capital expenditures and operating expenses to be made, in whole or in part, with federal high-cost support to be received by the Company during the calendar year 2016 are projected to be \$250,000 and \$3,487,905, respectively.

Major projects planned to be undertaken or completed in the calendar years 2015 and/or 2016 include the following:

2015:

Construction, including new, buried fiber optic routes within the Grays River Exchange, along the far end of Lower Altoona Pillar Rock Road, Cottardi Road, the tail end of Hoikkia Road and the tail end of Fossil Creek Road; and in four locations on State Route 4. The total footage of fiber to be placed on these projects is 24,928 feet. These projects will serve an area of approximately 7 square miles in the vicinity of the above-referenced roads, with an estimated population of 136 people. The projected costs of these projects is \$498,000. These projects will enhance service reliability and capacity for approximately 136 people in the Grays River Exchange.

2016 :

Construction, including new, buried fiber optic routes within the Naselle Exchange, along Salmon Creek Road (for approximately 8,000 feet), along Tienhhaara Road (for approximately 5,000 feet), along South Valley Road (for approximately 3,854 feet), and along Hwy 101 (for approximately 2,800 feet), for a total distance of approximately 20,000. This project will serve an area of approximately 8 square miles in the vicinity of the above-referenced roads, with an estimated population of 79 people. This project's costs are expected to be approximately \$250,000. This project will enhance service reliability and capacity for approximately 79 people.

The Company expects that levels of expenses in 2015 and 2016 will remain relatively the same as those it experienced in calendar year 2014, subject to the effects of inflation, other commonly experienced changes in cost of labor and materials, and increased depreciation on new investment placed in service. The Company does not anticipate major adjustments in staffing levels for the relevant period.

7. Report 7: Plan of Investments and Expenditures: WAC 480-123-080(2):

As they are known to the Company at the date of this Report, apart from major projects, the planned investment and expenditures to be made with federal high-cost support related to Washington state for the calendar year 2016, are planned to remain relatively the same as those the Company experienced in calendar year 2014, subject to the effects

of inflation, other commonly experienced changes in cost of labor and materials, and increased depreciation on new investment placed in service. The Company does not anticipate major adjustments in staffing levels for the relevant period. Planned major projects are as described or referenced in Report 6, above. The Company has not completed its budgeting process for the calendar year 2016, so the investment and expense figures presented in Report 6, above, for calendar year 2016 are not yet final. 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.