



525 Junction Rd.
Madison, WI 53717

June 26, 2018

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

Re: 2018 ETC Certification
Request for Certification Pursuant to WAC 480-123-060, 070 and 080

Dear Mr. Johnson:

Pursuant to WAC 480-123-060, 070 and 080 **Lewis River Telephone Company**, d/b/a TDS Telecom ("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.

Please contact Gail Long at (541) 516-8210 or me at the number listed below if you have any questions regarding this filing.

Sincerely,

A handwritten signature in black ink that reads "Bruce Schiefelbein".

Bruce Schiefelbein
Manager – Regulatory Compliance
TDS Telecom
(608) 664-5455

Enclosures

cc: Gail Long

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COMMISSION

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ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080
 Contains Certifications Required by WAC 480-123-060 and 070
 June 22, 2018

Lewis River 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 USF in 2017 as follows:

The Company received \$751,634 in Federal USF support in 2017 which is made up of \$474,299 in ACAM and \$277,335 in ICC-CAF reform support. Most of the support was for broadband investment and the remaining to help cover operating expenses necessary to maintain the Company's network in order to continue providing high quality voice and broadband services. As discussed below, some of the support was used for network capital additions.

For 2017 the Company's gross capital expenditures were \$424,000. The Company's 2017 operating expenses excluding taxes were \$3,221,000. Recent major projects include:

- Amboy – Buried Drop Additions	\$12,635
- Amboy – CAFI DSA 41401 ISP Make Ready	\$3,135
- Amboy – CAP WA DSA 41400 VDSL Ports	\$41,583
- Cougar – CAFI DSA 41501 ISP Make Ready	\$3,126
- La Center – 3M-Dynatel 2273 Cable Locate Set	\$4,076
- La Center – BO CO Property Subdivision	\$65,016
- La Center – Security Fence – View DSA	\$3,897
- La Center – FTTH Kays Subdivision	\$4,520
- La Center – FTTH Sunrise Terrace	\$40,832
- La Center – NB PON Gorden Crest Phase 2	\$11,924
- La Center – CR cable replace 391 st	\$7,790
- La Center – Enable Class 5 Metaswitch (\$3,976 incurred in 2016)	\$7,363
- La Center – Line Extension for new service – 9410 339 th	\$18,247
- La Center – Calnet for Metaswitch (\$4,204 incurred in 2016)	\$16,921
- La Center – Paradise Point Fiber and Copper Move	\$3,585
- La Center – CAFO A9 OSP	\$15,166
- La Center – CAFIO DSA 41607 ISP AFC Replacement	\$37,990
- La Center – CAFI DSA 41600 ISP Make Ready	\$48,773
- La Center – Buried Drop Additions	\$35,298
- La Center – DSL Card Additions	\$24,983
- Yale – Capacity addition Lewis River Rd	\$5,848
- Yale – Buried Drop Additions	\$5,432
- Yale – CAFI DSA 41701 ISP Make Ready	<u>\$3,126</u>
Total	\$421,266

Per the direction of Commission Staff, the NECA -1 report will be provided as soon as it is available and no later than August 1, 2018.

2. Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses reported under Report 1, above, benefited the customers by maintaining and expanding the network to continue providing high quality telecommunications and broadband services. The funds received from the universal service communications program contributed to the Company's ability to complete those projects. The support has also allowed the company to sustain the current local technical support staff therefore avoiding delayed repairs and maintenance.

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.¹ 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 USF 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. See also the responses to Report 1.

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

There were zero reportable outages in calendar year 2017.

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

The Company had no unfulfilled voice service requests and twenty one unfulfilled broadband requests in 2017. Nine of those twenty one have since been provisioned with broadband at speeds of at least 25 mbps.

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

The Company reports that it is aware of 0.23 voice service complaints per 1,000 customers in calendar year 2017 made to the FCC (1 complaint) and 0.28 broadband service quality complaints per 1,000 customers also made to the FCC (1 complaint) concerning the services provided to its customers by the Company that are either subject to the regulatory jurisdiction of the Washington Utilities and Transportation Commission or among the services supported by the federal USF.

¹ The term "ETC" is used in the same sense 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 planned investment and expenses related to Washington State for the period January 1, 2019, through December 31, 2019 will include the estimated capital investment relating to projects opened in 2017/18 to improve broadband speeds relating to phase 1 of ACAM commitments that will be carried over into 2019. Construction began on phase 1 in 2017 and will continue into 2019. The current estimated cost of phase 1 is \$1,105,000. The estimated operating expenses for 2019 are \$3,200,000. In addition, the Company expects to experience a similar level of routine projects during 2019 relating to buried drops, line extensions, capacity improvements and new developments. Major projects completed in 2017 are disclosed in Report 1 above. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2017, 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 local 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, the planned investment and expenses related to Washington State for the period January 1, 2019, through December 31, 2019, will remain relatively the same as those it experienced in calendar year 2017, 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 local staffing levels for the relevant period. The Company expects that the continued receipt of federal USF 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.

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

I, Joel Dohmeier, being of lawful age, state that I am Vice President of Lewis River Telephone Company, d/b/a TDS Telecom (“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 in 2017 used and in the coming calendar year will use federal universal service fund (USF) support provided to the Company in the State of Washington only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;

(2) That during the 2017 calendar year, the Company met substantially the applicable service quality standard and consumer protection rules found in WAC 480-123-030(1)(h);

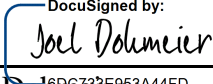
(3) That during the 2017 calendar year, the Company maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wireline carriers in emergency situations; and

(4) That during the 2017 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 25th day of June, 2018, at Madison, WI.

Company: Lewis River Telephone Company, d/b/a TDS Telecom

By: 
Joel Dohmeier

Its: Vice President