

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

IN RE

PETITION OF MCDANIEL TELEPHONE
COMPANY D/B/A TDS TELECOM, TO
RECEIVE SUPPORT FROM THE STATE
UNIVERSAL COMMUNICATIONS
SERVICES PROGRAM

DOCKET NO.

PETITION FOR SUPPORT

COMES NOW McDaniel Telephone Company d/b/a TDS Telecom (the "Company"), and, pursuant to Chapter 480-123 of the Washington Administrative Code ("WAC") including, but not limited to, WAC 480-123-110, hereby petitions the Washington Utilities and Transportation Commission (the "Commission") to receive support from the State Universal Communications Services Program established in RCW 80.36.650 (the "Program") for the fiscal year ending June 30, 2020.

I. Demonstration of Eligibility under WAC 480-123-100

1. WAC 480-123-100(1)(a): The Company is a local exchange company as defined in WAC 480-120-021 that serves less than forty thousand access lines within the state.

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COMMUNICATIONS SERVICES PROGRAM - 1

- 1 2. WAC 480-123-100(1)(b): The Company is an incumbent local exchange carrier as defined
2 in 47 U.S.C. Sec. 251(h).
- 3 3. WAC 480-123-100(1)(c): The Company offers basic residential and business exchange
4 telecommunications services as set forth in WAC 480-120-021 and RCW 80.36.630.
- 5 4. WAC 480-123-100(1)(d): The Company's rates for residential local exchange service, plus
6 mandatory extended area service charges, are no lower than the local urban rate floor
7 established by the Commission as the benchmark rate based on the Federal Communications
8 Commission's national local urban rate floor pursuant to 47 C.F.R. Sec. 54.318 in effect on
9 the date of this Petition. ¹
- 10 5. WAC 480-123-100(1)(e): The Company has been designated by the Commission as an
11 eligible telecommunications carrier for purposes of receiving federal universal services
12 support pursuant to 47 C.F.R. Part 54 Subpart D - Universal Service Support for High Cost
13 Areas with respect to the service area for which the Company is seeking Program support.
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17 **II. Demonstration of Eligibility under WAC 480-123-110**

- 18 1. WAC 480-123-110(1)(a): The name of the legal entity that provides communications
19 services and is seeking Program support is as follows: McDaniel Telephone Company d/b/a
20 TDS Telecom.
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23 ¹ On April 15, 2019, the FCC released a Report and Order (FCC 19-32) in its WC Docket No. 10-90,
24 repealing 47 C.F.R. Sec. 54.318 and eliminating the national local urban rate floor, effective June 6, 2019.
25 The Program was designed with a minimum rate floor component. In light of the FCC's Order (FCC 19-32),
26 Commission Staff has provided guidance that, for purposes of the Program, the local urban rate floor

2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between the Company and all affiliates as defined in RCW 80.16.010 is attached hereto as Exhibit 1. A detailed description of any transactions between the Company and the affiliates named in Exhibit 1 recorded in the Company's operating accounts is attached hereto as Exhibit 2.
3. WAC 480-123-110(1)(c): A service area map for the Company can be found at Schedule 14, Sheets No. 150-152 of the Company's Tariff WN U-4.
4. WAC 480-123-110(1)(d): A demonstration that the Company's customers are at risk of rate instability or service interruption or cessation in the absence of support from the Program is attached as Exhibit 3.
5. WAC 480-123-110(1)(e)(i): On the Commission's prescribed form, attached as Exhibit 4, are copies of the Company's balance sheet as of December 31, 2018, and December 31, 2017, and copies of the Company's statements of income and retained earnings or margin for the years ended December 31, 2018 and December 31, 2017.
6. WAC 480-123-110(1)(e)(ii): A copy of the Company's consolidated annual financial statements for the years ended December 31, 2018 and December 31, 2017, are attached as Exhibit 5.
7. WAC 480-123-110(1)(e)(iii): Information demonstrating the Company's earned rate of return on a total Washington unseparated regulated operations basis for the prior year, calculated in the manner prescribed by the Commission, is provided in Exhibit 4.

benchmark be considered to have been set at each petitioning company's rates for local exchange service, plus mandatory extended area service charges, in effect as of December 31, 2018.

- 1 8. WAC 480-123-110(1)(e)(iv): Information demonstrating the Company's earned return on
2 equity on a total company (regulated and non-regulated) Washington basis for each of the
3 two prior years, calculated in the manner prescribed by the Commission, is 2.65% (2018)
4 and 3.17% (2017) using the consolidated information provided in Exhibit 5.
- 5 9. WAC 480-123-110(1)(e)(v): Information detailing all of the Company's revenues from the
6 statements of income and retained earnings or margin in the same format and detail as is
7 required to complete RUS Form 479 for the prior two years is presented on Exhibit 6.
- 8 10. WAC 480-123-110(1)(e)(vi): A statement under penalty of perjury from a Company officer
9 with personal knowledge and responsibility certifying that no corporate operations
10 adjustment required by the Federal Communications Commission applied to the Company
11 for the two prior years is attached hereto as Exhibit 7.
- 12 11. WAC 480-123-110(1)(e)(vii): Exhibit 4 contains additional supporting information
13 requested by the Commission.
- 14 12. WAC 480-123-110(1)(e)(viii): A statement under penalty of perjury from a Company
15 officer with personal knowledge and responsibility certifying that the Company complies
16 with state and federal accounting, cost allocation, and cost adjustment rules pertaining to
17 incumbent local exchange companies is attached as Exhibit 8.
- 18 13. WAC 480-123-110(1)(f): A complete copy of the FCC Form 481 filed by the Company or
19 on its behalf with the Federal Communications Commission for the calendar year preceding
20 the current year has already been filed with the Commission. See the Company's filing in
21 Docket No. UT-190005 filed on or about June 28, 2019.
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1 14. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by
2 the Company as of December 31, 2018, was 2,670 all of which were within the geographic
3 area for which the Company is seeking support. The number of residential local exchange
4 access lines served by the Company as of December 31, 2017, was 2,719, all of which were
5 within the geographic area for which the Company is seeking support.

6 The number of business local exchange access lines served by the Company as of December
7 31, 2018, was 459, all of which were within the geographic area for which the Company is
8 seeking support. The number of business local exchange access lines served by the
9 Company as of December 31, 2017, was 455, all of which were within the geographic area
10 for which the Company is seeking support.

11 The monthly recurring rate charged by the Company for residential local exchange access
12 service on December 31, 2018, was \$18.00. The monthly recurring rate charged by the
13 Company for residential local exchange access service on December 31, 2017, was \$18.00.
14 The rate charged by the Company for single line business local exchange access service on
15 December 31, 2018, was \$20.50. The rate charged by the Company for single line business
16 local exchange access service on December 31, 2017, was \$20.50. (The Company has other
17 business local exchange service rates, but the Company understands that WAC 480-123-
18 110(1)(g) is requesting the single line business local exchange access service rate.)
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20 15. WAC 480-123-110(1)(h): The requested statement is attached as Exhibit 9.
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1 16. The amount on Line 4, labeled 2011 ROR Carrier Base Period Revenue, of the CAF ICC
2 Data collection Report for the period 7/1/2019 - 6/30/2020 is \$720,977 and has not changed
3 from the last filing.

4 17. All exhibits attached hereto are incorporated in this Petition as though fully set forth.

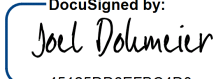
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7 Respectfully submitted this ____ day of July, 2019.

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9 McDaniel Telephone Company
10 d/b/a TDS Telecom
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12 CERTIFICATION

13 I Joel Dohmeier, an officer of the Company that is responsible for the Company's business
14 and financial operations, hereby certify under penalty of perjury that the information and
15 representations set forth in the Petition, above, are accurate and the Company has not knowingly
16 withheld any information required to be provided to the Commission pursuant to the rules
governing the Program.

17 DocuSigned by:
18 
19 45125DD6EFBC4D0

20 By: Joel Dohmeier
21 Title: Vice President
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