

**2021 ETC CERTIFICATION - ELIGIBLE TELECOMMUNICATIONS
CARRIERS' ANNUAL RE-CERTIFICATION ON HIGH COST FUND
SUPPORT PURSUANT TO WAC 480-123-060, 070, AND 080**

**INLAND TELEPHONE COMPANY - SAC 522423
DUE JULY 1, 2021**

ETC ANNUAL REPORT
PER WAC 480-123-070 AND WAC 480-123-080
INLAND TELEPHONE COMPANY - SAC 522423

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080
(Certifications Required by WAC 480-123-060 and 070 enclosed)
July 1, 2021

Inland 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 2020 as follows:

For 2020, the Company's gross capital expenditures, after any appropriate allocations to its Idaho operations, were approximately \$1,792,799. The Company's 2020 operating expenses, after any appropriate allocations to its Idaho operations were \$4,664,369, which includes depreciation and amortization expenses of \$1,387,068 and excludes Part 64 adjustments. Recent major projects are enumerated and/or described in the five (5) year forecast and narrative (522423 5 YEAR FORECAST.pdf) supplied for Report 6, WAC 480-123-080(1) and Report 7, WAC 480-123-080(2).

The Company's NECA-1 Report for the collection period 2021 for the calendar year 2020 that will be submitted to the National Exchange Carrier Association ("NECA"), is included after the 5 Year Forecast.

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 as follows:

The customers served by the Company benefited from the use of high-cost fund support by continuing to receive high quality voice and broadband communications services. The projects and benefits are described in the 5 year forecast and narrative (522423 5 YEAR FORECAST.pdf) supplied for Report 6, WAC 480-123-080(1) and Report 7, WAC 480-123-080(2).

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 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

¹ The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

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 2020 Report: WAC 480-123-070(2):

None

4. Report 4: Report on Failure to Provide Service in 2020: WAC 480-123-070(3):

None

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

The Company reports that during calendar year 2020, the Company did not receive from 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 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 high-cost fund.²

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, 2021, through December 31, 2021, are projected to be \$330,000 for gross capital expenditures and \$4,659,658 for operating expenses, which includes \$1,387,068 of depreciation expense. Attached is a five year forecast and narrative (522423 5 YEAR FORECAST.pdf). With the exception of depreciation expense created by capital projects, the Company expects that levels of expenses to slightly decrease from 2020 levels. However, the effects of inflation and other commonly experienced changes in cost of labor and materials and availability of materials cannot be anticipated. 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, the planned investment and expenses related to Washington State for the period January 1, 2022, through December 31, 2022, are projected to be \$290,000 for gross capital expenditures and \$4,660,585 for operating expenses, which includes \$1,387,068 of depreciation expense. The narrative on the attached five (5) year forecast, did not fully spell-out that the projected upgrades should increase bandwidth capacity to our subscribers in order to be in compliance with current Federal Communications Commission standards for broadband; it is implied when moving to fiber-to-the-premise or shortening loop lengths by adding additional

² The references to the services supported by the federal high-cost fund is to the services designated for support as set forth in 47 C.F.R. §54.101(a).

VDSL cabinets. With the exception of depreciation expense created by capital projects, the Company expects that levels of expenses to be similar as the projected 2021 levels. However, the effects of inflation and other commonly experienced changes in cost of labor and materials and availability of materials cannot be anticipated. The Company does not anticipate major adjustments in staffing levels for the relevant period. Enclosed is a five year forecast and narrative. 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 customer 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**

INLAND TELEPHONE COMPANY - SAC 522423

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

I, James K. Brooks, being of lawful age, state that I am the Treasurer/Controller of Inland Telephone Company (“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 2020, used and in the coming calendar years will use federal high-cost universal service fund 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 2020 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 2020 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 2020 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 21st day of June, 2021, at Roslyn, Washington.

Company: Inland Telephone Company

By: 
James K. Brooks

Its: Treasurer/Controller

**522423 5 YEAR FORECAST
(SUPPORT FOR ETC ANNUAL REPORT)**

INLAND TELEPHONE COMPANY - SAC 522423

INLAND TELEPHONE COMPANY								54.313(a)(1)
WASHINGTON OPERATIONS - SAC 522423								
FIVE YEAR FORECAST - NETWORK ADDITIONS								

As they are known to the Company at the date of this Report, the planned investments and forecasted expenses related to Washington operations (Study Area Code 522423) for the period January 1, 2021 through December 31, 2025, are listed below. The Company expects to use all Universal Service Fund support received in order to fund the provisioning, maintenance and services provided over these upgraded facilities as well as existing facilities and to service the debt with the Rural Utility Service created in order to make previous years improvements; improving service quality, coverage and capacity for both voice and broadband services. The Company (SAC 522423) received \$2,033,946 in federal high-cost support/model support for the calendar year ended December 31, 2020; which includes \$606,222 of Connect America Fund ("CAF") Support, -\$1,101 of CAF Broadband Loop Support ("CAF-BLS"), -\$215 of High Cost Loop Support and \$1,429,040 of Alternative Connect America Cost Model II Support ("ACAM II"). The Company expects that the continued receipt of Universal Service Fund support will aid 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 of which all customers and potential customers in the Company's designated ETC service area will benefit.

DEWATTO - The Company plans on replacing existing nodes (carrier cabinets) and adding additional nodes to decrease loop lengths and increase broadband speeds; upgrading from DSL to VDSL, placing an order for a TA5000 and two VDSL cabinets (to start with) for the Dewatto exchange on June 21, 2021.

PRESCOTT - The Company plans on constructing FTTP when the Uniontown exchange is completed. The Company hopes to commence construction in 2021; The Company has purchased and installed the Adtran TA5000 to make FTTP possible. The first phase will be to leverage the existing copper since, through previous experimentation, the Company found that the VDSL equipment it is using, can deliver 20 up and 50 down at approximately one mile from VDSL transmission equipment.

ROSLYN - The Company has completed the fiber transmission line extension that it had described in previous years to the Morgan Creek Area and installed a VDSL cabinet to replace what was previously served by a DSL cabinet; will initially serve approximately 200 platted homesites; approximately 30 customers. The Company still needs to cut the existing copper over to the new cabinet in order to be able to provide greater broadband speeds. The Company will eventually convert all of the homes/homesites passed on the fiber route to the VDSL cabinet to FTTP.

UNIONTOWN - Although COVID slowed progress, the Company completed fiber-to-the-premises ("FTTP") in the Town of Colton by the end of 2020. The Company is currently constructing FTTP in Uniontown and when completed, sometime during 2021, will be working on improving the remainder of the exchange.

GROSS PLANT ADDITIONS - CURRENT ACTUAL AND FUTURE ESTIMATED							
(NOTE: 2020 Actual is after any allocation to Idaho and before any Part 64 allocations; Future Estimates do not include either allocations)							
		2020 ACTUAL	2021	2022	2023	2024	2025
DEWATTO (372)							
1.3 Working Loops (@ 12/31/2020)	286						
DSL Subscribers (@ 12/31/2020)	224						
Data Only Subscribers (@ 12/31/2020)	53						
Transmission Equipment			100,000	30,000			
Fiber Optic Cable				100,000			
PRESCOTT (849)							
1.3 Working Loops (@ 12/31/2020)	124						
DSL Subscribers (@ 12/31/2020)	46						
Data Only Subscribers (@ 12/31/2020)	14						
Switching Equipment		14,900					
Transmission Equipment			50,000	30,000			
Fiber Optic Cable			100,000	50,000			
ROSLYN (649)							
1.3 Working Loops (@ 12/31/2020)	1,113						
DSL Subscribers (@ 12/31/2020)	869						
Data Only Subscribers (@ 12/31/2020)	790						
Land & Support Assets		104,170					
Switching Equipment		1,206					
Transmission Equipment		316,609					
Fiber Optic Cable		215,774					

NECA1
(AS SUBMITTED TO THE NATIONAL EXCHANGE CARRIER ASSOC.)
FOR
INLAND TELEPHONE COMPANY - SAC 522423

**NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
UNIVERSAL SERVICE FUND
2021 DATA COLLECTION FORM**

Study Area: 522423
Contact: James Brooks
Phone: 509-649-2211

Name: INLAND TELEPHONE COMPANY - WA
Region: 5 Pacific
Collection Period: For the Year Ended 12/31/2020

Description	Latest View 2020-1 Amount	Pending View 2021-1 Amount
II. WORKING LOOPS		
060 Total Loops (Cat 1.1, 1.2, and 1.3)	2,067	1,831
070 Category 1.3 Loops (Excluding Cat 1.3 TWX Loops)	2,058	1,824
090 Consumer Broadband Only loops [Part 54.901(g)]	454	939
III. INVESTMENT, EXPENSE AND TAXES		
NET PLANT INVESTMENT		
160 Acct 2001 - Telephone Plant in Service	27,630,056	29,460,012
170 Acct 1220 - Materials and Supplies	282,212	351,980
190 Acct 3100 - Accumulated Depreciation	14,289,947	15,546,441
195 Acct 3400 - Accumulated Amortization	1,492	1,628
210 Acct 4340 - Net Noncurrent Deferred Operating Income Tax	2,377,096	2,354,242
220 Net Plant Investment (Sum Ln160-Ln210)	11,243,733	11,909,681
SELECTED PLANT ACCOUNTS		
230 Acct 2210 - Central Office Switching Equipment	1,296,290	1,256,318
235 Acct 2220 - Operator Systems Equipment	0	0
240 Acct 2230 - Central Office Transmission Equipment	4,736,077	5,099,757
245 Total Central Office Equipment	6,032,367	6,356,075
250 Circuit Equipment Category 4.13	1,816,072	1,611,891

**NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
UNIVERSAL SERVICE FUND
2021 DATA COLLECTION FORM**

Study Area: 522423
Contact: James Brooks
Phone: 509-649-2211

Name: INLAND TELEPHONE COMPANY - WA
Region: 5 Pacific
Collection Period: For the Year Ended 12/31/2020

Description	Latest View 2020-1 Amount	Pending View 2021-1 Amount
255 Acct 2410 - Cable & Wire Facilities Total	16,953,036	18,294,801
260 Acct 3100 (2210) - Accumulated Depreciation Central Office Switching Equipment	570,011	645,143
265 Acct 3100 (2220) - Accumulated Depreciation Operator System Equipment	0	0
270 Acct 3100 (2230) - Accumulated Depreciation Central Office Transmission Equipment	2,529,779	2,813,721
275 Acct 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment	3,099,790	3,458,864
280 Acct 3100 (2410) - Accumulated Depreciation Cable and Wire Facilities	7,783,873	8,515,314
310 Acct 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching Equipment	131,855	105,619
315 Acct 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator Systems Equipment	0	0
320 Acct 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Transmission Equipment	399,646	386,954
325 Acct 4340 (2210-2230) - Net Deferred Operating Income Taxes - Central Office Equipment (Sum of 4340 (2210) through	531,501	492,573
330 Acct 4340 (2410) - Net Deferred Operating Income Taxes - Cable and Wire Facilities	1,721,860	1,759,173

**NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
UNIVERSAL SERVICE FUND
2021 DATA COLLECTION FORM**

Study Area: 522423
Contact: James Brooks
Phone: 509-649-2211

Name: INLAND TELEPHONE COMPANY - WA
Region: 5 Pacific
Collection Period: For the Year Ended 12/31/2020

Description	Latest View 2020-1 Amount	Pending View 2021-1 Amount
PLANT SPECIFIC OPERATION EXPENSE		
335 Acct 6110 - Network Support Expense Total	21,978	23,811
340 Acct 6110 - Benefits Portion of Network Support Expense	1,655	1,889
345 Acct 6110 - Rents Portion of Network Support Expense	0	0
350 Acct 6120 - General Support Expense Total	392,249	247,921
355 Acct 6120 - Benefits Portion of General Support Expense	36,193	20,391
360 Acct 6120 - Rents Portion of General Support Expense	0	0
365 Acct 6210 - Central Office Switching Expense - Total	262,744	257,377
370 Acct 6210 - Benefits Portion of Central Office Switching Expense	10,630	11,507
375 Acct 6210 - Rents Portion of Central Office Switching Expense	0	0
380 Acct 6220 - Operator System Expense - Total	0	0
385 Acct 6220 - Benefits Benefits Portion of Operator System Expense	0	0
390 Acct 6220 - Rents Benefits Portion of Operator System Expense		
395 Acct 6230 - Central Office Expense - Transmission Equipment - Total	296,082	272,572
400 Acct 6230 - Benefits Portion of Central Office Expense - Transmission Equipment	16,354	11,601
405 Acct 6230 - Rents Portion of Central Office Expense - Transmission Equipment	0	0

**NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
UNIVERSAL SERVICE FUND
2021 DATA COLLECTION FORM**

Study Area: 522423
Contact: James Brooks
Phone: 509-649-2211

Name: INLAND TELEPHONE COMPANY - WA
Region: 5 Pacific
Collection Period: For the Year Ended 12/31/2020

Description	Latest View 2020-1 Amount	Pending View 2021-1 Amount
410 Acct 6210 - 6230 Central Office Equipment Expense Total	558,826	529,949
430 Acct 6410 - Cable & Wire Facilities Expense Total	447,904	534,113
435 Acct 6410 - Benefits Portion of Cable & Wire Facilities Expense	52,004	78,049
440 Acct 6410 - Rents Portion of Cable & Wire Facilities Expense	0	0
445 Total Plant Specific Expense	1,420,957	1,335,794
PLANT NON-SPECIFIC EXPENSE		
450 Acct 6530 - Network Operations Expense - Total	221,070	253,127
455 Acct 6530 - Benefits Portion of Network Operations Expense	27,680	32,496
DEPRECIATION & AMORTIZATION EXPENSE		
510 Acct 6560 (2210) - Depreciation and Amortization Expense-Central Office Switching Equipment	111,685	111,009
515 Acct 6560 (2220) - Depreciation and Amortization Expense - Operator System Equipment	0	0
520 Acct 6560 (2230) - Depreciation and Amortization Expense - Central Office Transmission Equipment	305,421	345,124
525 Acct 6560 (2210 - 2230) - Depreciation and Amortization - Central Office Equipment	417,106	456,133
530 Acct 6560 (2410) - Depreciation and Amortization Expense - Cable & Wire Facilities	625,814	670,107

**NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
UNIVERSAL SERVICE FUND
2021 DATA COLLECTION FORM**

Study Area: 522423
Contact: James Brooks
Phone: 509-649-2211

Name: INLAND TELEPHONE COMPANY - WA
Region: 5 Pacific
Collection Period: For the Year Ended 12/31/2020

Description	Latest View 2020-1 Amount	Pending View 2021-1 Amount
CORPORATE OPERATIONS EXPENSE		
535 Acct 6710 - Executive & Planning Expense - Total	178,870	178,036
540 Acct 6710 - Benefits Portion of Executive & Planning Expense	26,018	25,494
550 Acct 6720 - General & Administrative Expense - Total	539,266	569,169
555 Acct 6720 - Benefits Portion of General Administrative Expense	59,257	64,395
565 Total Corporate Operations Expense	718,136	747,205
OTHER EXPENSE		
600 Benefits Portion of all Operating Expenses - Total	278,199	290,218
610 Rents Portion of all Operating Expenses - Total	0	0
TAXES		
650 Acct 7200 - Operating Taxes	(112,681)	1,237,850
IV. PART 36 - COST STUDY DATA		
700 Cable and Wire Facilities Acct 2410	16,953,036	18,294,801
710 Cable and Wire Facilities Cat 1 - Total Exchange Line C&WF Excluding Wideband	15,814,379	17,113,106
V. AMORTIZABLE TANGIBLE ASSETS (REFER TO INSTRUCTIONS PRIOR TO COMPLETING THIS SECTION)		
800 Acct 2680 - Amortizable Tangible Assets	0	0

**NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
UNIVERSAL SERVICE FUND
2021 DATA COLLECTION FORM**

Study Area: 522423
Contact: James Brooks
Phone: 509-649-2211

Name: INLAND TELEPHONE COMPANY - WA
Region: 5 Pacific
Collection Period: For the Year Ended 12/31/2020

Description	Latest View 2020-1 Amount	Pending View 2021-1 Amount
805 Acct 2680 (2230) - Amortizable Tangible Assets - Central Office Transmission Equipment	0	0
810 Acct 2680 (2230) - Amortizable Tangible Assets-Central Office Transmission Equipment Allocated to Category 4.13	0	0
815 Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities	0	0
820 Acct 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated to Category 1	0	0
830 Acct 6560 (2680) Depreciation and Amortization Expense - Amortizable Tangible Assets	0	0
VI. OTHER ACCOUNTS		
850 Acct 6310 - Information Origination/Termination Expense	0	0
860 Acct 6510 - Other Property Plant and Equipment Expense	1,217	636
870 Acct 6610 - Customer Operations Expense: Marketing	1,255	238
880 Acct 6620 - Customer Operations Expense: Services	379,160	355,738

VII. COMMENTS/SIGNIFICANT CHANGE EXPLANATION:
