

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080
Contains Certifications Required by WAC 480-123-060 and 070
July 1, 2023

Skyline Telecom (“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 2022 as follows: Strictly to provide, maintain, and upgrade facilities and services for which the support is intended.

For 2022 the Company's gross capital expenditures were \$102,793. The Company's 2022 regulated operating expenses were \$554,810. Recent major projects include Phase 3A construction of fiber to the home in the MT Hull Exchange. Subscribers were converted to fiber with broadband speeds exceeding the 25/3 requirement. This Phase had the potential of 36 subscribers. Skyline could offer speeds up to 1Gig for all fiber locations.

Funds were also used in 2022 to secure T-1's into our Silverton exchange. Our current provider notified the Company that the existing circuits would not be available to us due to upgrades to their network. We were able to secure alternative circuits along with equipment to provision these circuits. These T-1's did not bring any additional bandwidth to the Silverton exchange however, this expenditure allowed for the continuation of voice services.

Per the direction of Commission Staff, the NECA -1 report is filed along with this report as an attachment.

2. Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses report 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 telecommunications services.

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

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

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):

Local outages are disclosed on the FCC Form 481.

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):

No complaints were filed during 2022 regarding service quality as reported by the consumer service protection division of the Attorney General's Office. In addition, no complaints were received from the FCC for calendar year 2022.

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

The Company has not yet started the budgeting process for 2024 and therefore does not have the final numbers prepared for investments and expense levels for the period January 1, 2024 through December 31, 2024. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2022, 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, the planned investment and expenses related to Washington state for the period January 1, 2024, through December 31, 2024, will remain relatively the same as those it experienced in calendar year 2022, 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. The Company has not completed its budgeting process and does not have final numbers

prepared for investment and expense levels for 2024. 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**

I, Delinda Kluser, being of lawful age, state that I am Vice-Pres, Finance of Skyline Telecom Inc. (“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 2022 used and in the coming calendar year 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 2022 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 2022 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 2022 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 22nd day of June, 2023 at MT Vernon, Oregon.

Company: Skyline Telecom Inc.

By:  _____

Type Name: Delinda Kluser

Its: Vice-Pres, Finance



USF1010 ERROR REPORT

Applies to Period:	Year End 12/2022	Reg: 6	WESTERN	Subset 3
Contact Name:	Garrin Bott	MSM: 000052439	Dan Hintz	
Contact Phone:	(541)-932-4411 Ext:	OO: *****		
Release Status:	Released	Co: 000005801	Skyline Telecom Company	
Soft Edit Status:	Failed Edit	SAR: 520581	SKYLINE TELECOM CO.	

Description	Pending View	Message
060 Total Loops	103	
070 Cat. 1.3 Loops	103	
090 CBO Loops	0	
160 Account 2001	3,170,985	
170 Account 1220	2,607	
190 Account 3100	2,773,713	
195 Account 3400	0	
210 Account 4340	50,138	
220 Net Plant Investment	349,741	
230 Account 2210	356,354	
235 Account 2220	0	
240 Account 2230	307,114	
245 Total Central Office	663,468	
250 Ckt Equip Cat 4.13	263,791	
255 Account 2410	2,308,296	
260 Account 3100 (2210)	356,354	
265 Account 3100 (2220)	0	
270 Account 3100 (2230)	275,728	
275 Account 3100 (2210-2230)	632,082	
280 Account 3100 (2410)	2,033,609	
310 Account 4340 (2210)	5,720	
315 Account 4340 (2220)	0	
320 Account 4340 (2230)	4,930	
325 Account 4340 (2210-2230)	10,650	
330 Account 4340 (2410)	37,052	
335 Account 6110 Total	0	
340 Account 6110 Benefits	0	
345 Account 6110 Rents	0	
350 Account 6120 Total	7,908	
355 Account 6120 Benefits	21	
360 Account 6120 Rents	0	
365 Account 6210 Total	94,751	
370 Account 6210 Benefits	7,383	
375 Account 6210 Rents	0	
380 Account 6220 Total	0	
385 Account 6220 Benefits	0	
390 Account 6220 Rents	0	
395 Account 6230 Total	15,272	
400 Account 6230 Benefits	1,098	
405 Account 6230 Rents	0	
410 Account 6210-6230	110,023	
430 Account 6410 Total	84,335	
435 Account 6410 Benefits	8,107	
440 Account 6410 Rents	0	
445 Total Plant Specific	202,266	
450 Account 6530 Total	17,142	
455 Account 6530 Benefits	1,151	
510 Account 6560 (2210)	6,563	
515 Account 6560 (2220)	0	



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Applies to Period:	Year End 12/2022	Reg: 6	WESTERN	Subset 3
Contact Name:	Garrin Bott	MSM: 000052439	Dan Hintz	
Contact Phone:	(541)-932-4411 Ext:	OO: *****		
Release Status:	Released	Co: 000005801	Skyline Telecom Company	
Soft Edit Status:	Failed Edit	SAR: 520581	SKYLINE TELECOM CO.	

Description	Pending View	Message
520 Account 6560 (2230)	1,924	
525 Account 6560 (2210-2230)	8,487	
530 Account 6560 (2410)	86,576	
535 Account 6710 Total	0	
540 Account 6710 Benefits	0	
550 Account 6720 Total	165,558	
555 Account 6720 Benefits	25,399	
565 Sum of Lines 535 + 550	165,558	
600 Ben. Por. of all Op. Exp.	45,521	
610 Rent Por. of all Op. Exp.	0	
650 Account 7200 Other Taxes	-17,051	Should not be negative
700 Account 2410 (CWF)	2,308,296	
710 Account 2410 (CWF-Cat.1)	1,859,109	
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	
850 Account 6310	0	
860 Account 6510	0	
870 Account 6610	304	
880 Account 6620	39,537	
Control Total:	18,847,776	

Comments: