

REPORT OF MCDANIEL TELEPHONE COMPANY UNDER THE  
WASHINGTON UNIVERSAL SERVICE COMMUNICATIONS PROGRAM  
IN COMPLIANCE WITH WAC 480-123-130

June 29, 2018

Docket No. UT-170844

File electronically

1. WAC 480-123-130(1)(a) - Access Lines Served [NECA 1.3 working loops]

	January 1, 2017	December 31, 2017
Residential	2,884	2,719
Business	469	455

2. WAC 480-123-130(1)(b) - Use of Support

The funds received by the Company from the universal service communications program in calendar year 2017 represent monies that the Company formerly received through the Washington Exchange Carrier Association (WECA) pooling process and the reduction of support under the Federal Communications Commission's (FCC's) CAF ICC Program. As such, the funds from the universal service communications program contributed to the ongoing operation and maintenance expenses of the Company. The funds from the universal service communications program are contributing to the Company's ongoing provision of high-quality basic telecommunications service to customers residing in the area the Company serves.

In December 2017, the Company received \$270,476 from the universal service communications program for the fiscal year ending June 30, 2018.

During the first six months of 2018, the Company opened major projects to: 1) Bury drops (\$14,500), 2) Install line extensions (\$27,000), 3) Hi-way 508 bridge move (\$19,000), 4) Cable augmentation Winsdorfer road (\$17,000), 5) Generator replacement in Onalaska (\$2,500), and 6) share of Software improvements (\$70,000). In addition, the Company has many projects open to improve broadband speeds relating to Phase 1 of ACAM commitments. Many of the projects were engineered in 2017 with construction underway during 2018. The estimated cost of Phase 1 at this time is \$3,996,000 with \$1,773,000 budgeted in 2018. The funds received from the universal service communications program can be viewed as contributing to the Company's ability to

perform these projects and helping to recover normal operation costs. The Company opens all major projects that are budgeted early in the year thus those described above will continue throughout 2018 in addition to routine maintenance, cable additions and other projects as needed.

3. WAC 480-123-130(1)(c) - Unfilled Consumer Requests for New Basic Telecommunications Service\*

None

\* Service requests that are ongoing, but still within normal processing times are not counted as unfulfilled.

4. WAC 480-123-130(1)(e) - FCC Form 477

This form was previously filed on or about March 5, 2018 under Docket UT-180002.

5. WAC 480-123-130(1)(f) - Report on Operational Efficiencies/Business Plan Modifications

The Company is part of a major holding company which results in efficiencies and economies of scale that are not available to most Rural LECs and there are on-going efforts to find more ways to cut costs while improving broadband service and continuing to provide high-quality basic telecommunications services. The funds received from the universal communications program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

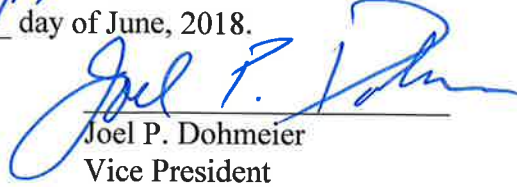
6. WAC 480-123-130(1)(g) and (h) - Other information

N/A

Certified Statement as required by WAC 480-123-130(1)(d):

I, Joel P. Dohmeier, am an officer of McDaniel Telephone Company, and upon personal knowledge and with responsibility therefore, hereby certify under penalty of perjury, that McDaniel Telephone Company materially complied with Commission rules under Chapter 480-120 WAC that are applicable to the Company and its provision of service within the area for which the Company received universal service communications program support.

Signed at Madison, Wisconsin this 27<sup>th</sup> day of June, 2018.

  
Joel P. Dohmeier  
Vice President