

Pioneer Telephone Co.

Local and Long Distance Service

Serving LaCrosse, Endicott, Winona, Hooper, Dusty and Hay

Telephone 509/549-3511

P.O. Box 207

LaCrosse, Washington 99143-0207



August 30, 2016

Mr. Steven V. King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Petition to Receive Support from the State Universal Communication
Services Program Pursuant to WAC 480-123-100 and 480-123-110
Reference: Docket UT-160939

Dear Mr. King:

Per Washington Utilities and Transportation Commission Staff request, Pioneer Telephone Company ("Company") is resubmitting, with updated information, Exhibit 4, Page 8 (entitled "Current Year Income Statement") that was initially part of the Company's Petition, pursuant to WAC 480-123-100 and 480-123-110, to Receive Support from the State Universal Communications Services Program for the Program year 2017.

The revised exhibit will accompany this letter and will also be submitted for filing on paper. In addition, a copy of this letter, in both .pdf and .doc format, and a copy of the Excel workbook (in .xlsx format) from which the revised Exhibit 4 was produced, are being filed electronically.

Sincerely,

Durand Cox
President

Enclosures

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GENERAL MANAGER
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STATE UTILITIES AND TRANSPORTATION COMMISSION

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
Current Year Income Statement

Company Name: (Below)
PIONEER TELEPHONE COMPANY

Line #	Description	Current Year 2015 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2015 (C)
1	Local Network Services Revenues	144,597		144,597
2	Network Access Services Revenues	1,399,531		1,399,531
3	Long Distance Network Services Revenues	42,291		42,291
4	Carrier Billing and Collection Revenues	1,800		1,800
5	Miscellaneous Revenues	8,866		8,866
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(100)		(100)
7	Net Operating Revenues (1 thru 6)	1,596,985	0	1,596,985
8	Plant Specific Operations Expense	367,252	(24,230)	343,022
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	54,344	13,556	67,900
10	Depreciation Expense	580,284	(701)	579,583
11	Amortization Expense			0
12	Customer Operations Expense	94,541	(7,042)	87,499
13	Corporate Operations	374,435	(13,108)	361,327
14	Total Operations Expenses (8 thru 12 +13b)	1,470,856	(31,525)	1,439,331
15	Operating Income or Margins (7 less 14)	126,129	31,525	157,654
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes	67,196	(1,037)	66,159
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	23,455	(649)	22,806
19	Other Taxes			0
20	Total Operating Taxes (17+18+19)	90,651	(1,686)	88,965
21	Net Operating Income or Margins (15+16-20)	35,478	33,211	68,689
22	Interest on Funded Debt			0
23	Interest Expense - Capital Leases			0
24	Other Interest Expense			0
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	0	0	0
27	Nonoperating Net Income	7,173		7,173
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	22,814	(33,211)	(10,397)
31	Total Net Income or Margins (21+27+28+29+30-26)	65,465	0	65,465
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	5,501,527		5,501,527
34	Miscellaneous Credits Year-to-Date			0
35	Dividends Declared (Common)	250,000		250,000
36	Dividends Declared (Preferred)			0
37	Other Debits Year-to-Date	4,814		4,814
38	Transfers to Patronage Capital			0
39	Retained Earnings End-of-Period ((31+33+34)-(35+36+37+38))(A2)	5,312,178	0	5,312,178
40	Patronage Capital Beginning-of-Year			0
41	Transfers to Patronage Capital			0
42	Patronage Capital Credits Retired			0
43	Patronage Capital End-of-Year (40+41-42)	0	0	0
44	Annual Debt Service Payments	0		0
45	Cash Ratio ((14+20-10-11)/7)	0.6144	#DIV/0!	0.5941
46	Operating Accrual Ratio ((14+20+26)/7)	0.9778	#DIV/0!	0.9570
47	TIER ((31+26)/26)	#DIV/0!	#DIV/0!	#DIV/0!
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!	#DIV/0!

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 9, Inc. Statement Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 57 of Page 2, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Column B, automatic offset to Nonregulated Net Income (No Impact to Retained Earnings)

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