WASHINGTON UNIVERSAL COMMUNICATIONS SERVICES PROGRAM

WAC 480-123-130 REPORTS AND CERTIFICATION

July 1, 2015

Docket No. UT-143041

Whidbey Telephone Company

BY ELECTRONIC FILING

VIA WUTC WEB PORTAL

Access Lines Served - WAC 480-123-130(1)(a)

January 1, 2014 December 31, 2014

Residential 8,406 8,328

Business 1,953 1,809

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

The funds received by the Company during 2014 from the state universal communications services program (“Program”) represent monies that the Company formerly received through the Washington Exchange Carrier Association pooling process. As such, the funds from the Program contributed to defraying the ongoing operation and maintenance expenses of the Company. The funds from the Program are contributing to the Company's ongoing provision of high-quality basic telecommunications service to customers present in the area the Company serves

The Company undertook projects in 2014 filed with FCC Form 481 filed with the Commission on August 1, 2014 in Docket No. UT-143041.

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| **Network Improvements/Upgrades – Voice Services – For Calendar Year 2014** |
| **Project Description** **(Specific proposed improvements and/or upgrades)** | **Estimated Start Date** | **Estimated Completion Date** | **Service Area Name** | **Estimated Population** |
| Install new BLCs at the following locations:* Useless Bay
* Sea Lawn
* Bradshaw
* Windmill
* Sandy Point
* Mutiny Bay
 | 01/01/2014 | 12/31/2014 | South Whidbey | 3,076 |
| Migrate ADSL Blades to VDSL | 01/01/2014 | 12/31/2014 | South WhidbeyPoint Roberts | 17,252 |
| MetaSwitch Upgrade | 01/01/2014 | 12/31/2014 | South WhidbeyPoint Roberts | 17,252 |
| Increase capacity of access transport network – South Whidbey ring upgrade | 01/01/2014 | 12/31/2014 | South Whidbey | 15,938 |
| Additional Fiber deployment for access transport network | 01/01/2014 | 06/30/2014 | South Whidbey | 15,938 |
| Maintain/retire/replace existing end-of-life infrastructure hardware and software | 01/01/2014 | 12/31/2014 | South WhidbeyPoint Roberts | 17,252 |

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| **Network Improvements/Upgrades – Broadband Services – For Calendar Year 2014** |
| **Project Description****(Specific proposed improvements and/or upgrades)** | **Estimated Start Date** | **Estimated Completion Date** | **Service Area Name** | **Estimated Population** |
| Install new BLCs at the following locations:* Useless Bay
* Sea Lawn
* Bradshaw
* Windmill
* Sandy Point
* Mutiny Bay
 | 01/01/2014 | 12/31/2014 | South Whidbey | 3,076 |
| Migrate ADSL Blades to VDSL | 01/01/2014 | 12/31/2014 | South WhidbeyPoint Roberts | 17,252 |
| Increase capacity of access transport network – South Whidbey ring upgrade | 01/01/2014 | 12/31/2014 | South Whidbey | 15,938 |
| Additional Fiber deployment for access transport network | 01/01/2014 | 06/30/2014 | South Whidbey | 15,938 |
| Maintain/retire/replace existing end-of-life infrastructure hardware and software | 01/01/2014 | 12/31/2014 | South WhidbeyPoint Roberts | 17,252 |

The funds received from the Program can be viewed as contributing to the Company's ability to perform those projects, including, without limitation, the repayment of loan funds.

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

None

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

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

Currently, portions of FCC Form 477 submitted to the FCC in an electronic file format do not create a readable report of the data.  It is the Company’s understanding that the FCC is developing reports that are expected to be available no later than August 1, 2015, and that will include 2014 FCC Form 477 data. If these reports are not available by that date, the Company will work with the Washington Utilities and Transportation Commission staff to provide this information in an agreed upon format in a timely manner.

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

The Company continually reviews its operations to determine if efficiencies can be achieved. The Company already has a plan in place to concentrate on improving broadband service while continuing to provide high-quality basic telecommunications service to the customers that are located within the area that the Company serves. In addition to the projects described in the response to WAC 480-123-130(1)(b) above, the Company began a project to evaluate our business systems, and to develop a road map that will determine the system requirements and changes over the next five years. These systems include all operational systems including: customer order placement and fulfillment; customer premise service calls; call center call resolution; customer billing and payments; and includes the deployment of self-service functionality wherever possible to improve the quality of customer service, but to also reduce Company costs and maintain competitive rates for all our telecommunications services. In 2014, the Company completed an overall staff reduction designed to reduce operating expenses and improve operational efficiency. The funds received from the Program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

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

Not Applicable

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

I, Bruce Russell, an officer of Whidbey Telephone Company with personal knowledge and responsibility, hereby certify under penalty of perjury that, during 2014, Whidbey Telephone Company materially complied with all Commission rules in Chapter 480-120 WAC that are applicable to the Company and its provision of service within the area for which the Company received state universal communications services program support.

Signed at Langley, Washington this 1st day of July, 2015.

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 Chief Operating Officer