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August 28, 2015

Sent Via: E-Filing

Mr. Roger Hahn, Regulatory Analyst  
P.O. Box 47250  
1300 S. Evergreen Park Dr. SW  
Olympia, WA 98504-7250

RE: UT-151586 Petition of Asotin Telephone Company d/b/a TDS Telecom to Receive Support from the State Universal Communications Services Program

Dear Mr. Hahn:

Please see the responses below to the questions received via email on August 18, 2015.

- 11. Exhibit 3, Demonstration of Risk – Please provide regulated CapX by year to support the \$633k in paragraph 1.

Response:	2011	\$102,054
	2012	\$252,521
	2013	\$ 57,976
	2014	<u>\$220,710</u>
	Total	\$633,261

- 12. Exhibit 3, Demonstration of Risk, page 2 – Using the USAC disbursement tool I get different amounts for high cost loop support for 2011 and 2014. I get \$175,860 for 2011 rather than \$146,851 and \$60,512 for 2014 rather than \$61,401. Are the amounts per the filing net of prior year adjustments that would cause the difference?

Response: Amounts retrieved from the USAC disbursement tool represent disbursements reported in the periods the disbursements are made, while the amounts presented by Asotin represent accrued revenues reported in the periods the revenues are earned. In light of the differing recognition practices, differences between the two should not be unexpected. Further, both the reported disbursements and reported revenues contain prior period adjustments, though of different amounts due to the differences in the underlying data – cash disbursements vs accrued revenues.

- 13. Exhibit 4, pages 7, 8 and 9, Line 33 & Line 39 - The ending retained earnings balance as of 12/31/2013 of \$1,958,059, Line 39, Page 7, must equal the beginning balance for 2014 retained earnings, Line 33 on page 8 of \$1,766,309. These amounts feed to page 9. (Line 39 for 2013 ending balance must equal Line 33, beginning balance for 2014).

Response: See revised Exhibit 4 attached. Please note, due to Asotin’s multi-state operations, balancing adjustments are necessary in developing balanced state-specific

balance sheets. These balancing adjustments are included in the reported Retained Earnings balances and shown individually on Line 34 of pages 7, 8, and 9.

14. Exhibit 4, page 10, Access revenue analysis –

- a. What caused interstate switched access, line 2b to increase from 83,985 to 171,238 and line 4, Federal USF to decrease from 401,108 to 238,981 between 2013 and 2014? (Possibly category differences between years?)

Response: The differences are related to changes in the way the information was reported between years. ICC CAF support was reported as Federal USF for 2013 and interstate switched access for 2014.

- b. Line 4 for 2014 reported \$238,981 in revenue; however per the USAC disbursement tool, Asotin had 60,512 in high cost loop and 305,430 in ICLS support or a total of 365,942. What makes up the difference?

Response: Amounts retrieved from the USAC disbursement tool represent disbursements reported in the periods the disbursements are made, while the amounts presented by Asotin represent accrued revenues reported in the periods the revenues are earned. In light of the differing recognition practices, differences between the two should not be unexpected. Further, both the reported disbursements and reported revenues contain prior period adjustments, though of different amounts due to the differences in the underlying data – cash disbursements vs accrued revenues.

- c. The company received \$90,272 in state USF revenue in October 2014 and January 2015 for the period 7/1/2014 – 6/30/2015. Staff would of thought that approximately 50% or \$45,136 for 2014 would have been recorded rather than \$64,185 on Line 5. Please explain the difference at a high level.

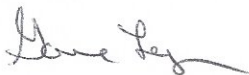
Response: The \$64,185 reported for 2014 represents \$19,049 of WECA Settlement revenue recorded for January through June plus \$45,136 of WA USF for July through December.

15. Exhibit 4, page 12 – – See McDaniel comment #5.

Response: See revised Exhibit 4 attached.

If there are questions or concerns regarding this information, I can be reached at either 541-516-8210 or [gail.long@tdstelecom.com](mailto:gail.long@tdstelecom.com).

Sincerely,



Gail Long  
Manager, State Government Affairs

Enclosure