

ETC ANNUAL REPORTS PER WAC 480-123-070 AND WAC 480-123-080

July 1, 2017
Western Wahkiakum County Telephone Company

Western Wahkiakum County Telephone Company (the "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 the calendar year 2016 as follows: To support investments made by the Company in telecommunications plant used to provide voice services, broadband services and other telecommunications services, and to defray operating expenses incurred by the Company in its provision of those services.

In the calendar year 2016, the Company's gross capital expenditures and operating expenses paid, in whole or in part, with support from the federal high-cost fund were \$924,360 and \$2,906,981, respectively.¹

Major projects undertaken or completed in the calendar year 2016 include the following:

- (1) Construction, including new, buried fiber optic routes within the Grays River Exchange, along Cottardi Heights Road for a total footage of fiber of approximately 7,684 feet, along Shannon Road (approximately 14,600 feet), together with additional drops to residences. This project serves an area of approximately 8 square miles with an estimated population of 85. This project cost approximately \$228,062.00. This project has enhanced service reliability and capacity for approximately 85 people in the Grays River Exchange.
- (2) Construction, including new, buried fiber optic routes within the Naselle Exchange, along Salmon Creek Road (approximately 8,000 feet), Tienhaara Road (approximately 6,258 feet), and State Route 4 (approximately 560 feet), together with installation of hand holes and two fiber distribution hubs. This project serves an area of approximately 7 square miles with an estimated population of 39. This project cost approximately \$197,393. This project has enhanced service reliability and capacity for approximately 39 people in the Naselle Exchange.
- (3) Acquisition and installation of software-enabled switching apparatus to serve the Naselle Exchange and the Grays River Exchange and to replace existing digital

¹ The amounts shown in this sentence are prior to Part 64 adjustments, if any.

switching facilities. This project cost approximately \$257,666, plus cost of staff training. This project serves an area of approximately 314 square miles, with an estimated population of 2,082. This project has enhanced service offerings, reliability and capacity for the above-mentioned population.

Attached is a copy of the Company's NECA-1 Report² for each of the calendar years 2015 and 2016.

2. Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses reported under Report 1, above, benefited consumers as follows:

Consumers served by the Company, as well as those consumers of other telecommunications service providers who may have communicated with the Company's customers utilizing telecommunications services provided by the Company, benefited from the use of high-cost fund support by continuing to receive high quality telecommunications services. Direct benefits within the Company's service area of specific projects are detailed in Report 1 above.

Through the expenditure of the federal high-cost support 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.³ 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 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):

None

² The Company understands the reference to the "NECA-1 report" to refer to the values reported by the Company in response to the National Exchange Carrier Association, Inc. Universal Service Data Collection Form or its on-line equivalent pertaining to the subject year.

³ The term "ETC" is used herein with the same meaning as the term is used in Chapter 480-123 WAC.

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):

None

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

As they are known to the Company at the date of this Report, the Company's planned gross capital expenditures and operating expenses to be made or defrayed, in whole or in part, with federal high-cost support to be received by the Company during the coming calendar year (*i.e.*, 2018) are projected to be approximately \$518,000 and \$2,658,741, respectively.

Major projects planned to be undertaken or completed in the calendar year 2018 include the following:

2018:

- (1) Construction, including a new, buried fiber optic route south of KM Hill to a radio repeater site in support of Wahkiakum County emergency management. This project will require obtaining rights-of-way, and the Company is awaiting the county's start of work on their site. The project cost is estimated to be approximately \$70,000. This project will serve Wahkiakum County emergency management, enabling or enhancing radio coverage of the westerly end of Wahkiakum County. This project is expected to provide substantial portions of the Grays River Exchange (and possibly a portion of the Naselle Exchange) with improved emergency service.
- (2) Construction and relocation of aerial facilities (both fiber optic and copper) on Parpala Road to accommodate Pacific County's road relocation in an area subject to landslides. The county has flagged the area but has not yet indicated they are ready to proceed. The project cost is estimated to be approximately \$50,000, and the project is expected to improve service reliability for approximately 420 people in the Naselle Exchange.
- (3) Construction and relocation of buried facilities (both fiber optic and copper) on Altoona Pillar Rock Road to accommodate Wahkiakum County's replacement of a large fish culvert. The county has identified this project but has not yet indicated they are ready to proceed. The project cost is estimated to be approximately \$25,000, and the project is expected to improve service reliability for approximately 237 people in the Grays River Exchange.

- (4) Construction and relocation of facilities (both fiber optic and copper) on Parpala Road to accommodate Pacific County's replacement of two fish culverts. The county has identified this project but has not yet indicated they are ready to proceed. The project cost is estimated to be approximately \$30,000, and the project is expected to improve service reliability for approximately 105 people in the Naselle Exchange.
- (5) Construction and relocation of buried facilities (both fiber optic and copper) on State Route 4, in the vicinity of the Hull Creek crossing, to accommodate a potential Washington State Department of Transportation project. The Company's project cost is estimated to be approximately \$20,000, and the Company's project is expected to improve service reliability for approximately 288 people in the Grays River Exchange.
- (6) Construction and relocation of buried facilities (both fiber optic and copper) on Altoona Road to accommodate a Wahkiakum County Public Works Department project in an area subject to landslides. The county is awaiting FEMA funding. The Company does not have an estimate of cost but estimates that the Company's project will improve service reliability for 58 people in the Grays River Exchange.
- (7) The Company is currently evaluating a potential upgrade to its fiber to the home network equipment. This project would serve both the Company's Naselle and Grays River Exchanges and, if pursued, is expected to improve service reliability and potential future service capacities for approximately 2,082 people.

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, apart from major projects, the planned investment and expenditures to be made with federal high-cost support related to Washington state for the calendar year 2018, are planned to remain relatively the same as those the Company experienced in calendar year 2016, 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. Planned major projects are as described or referenced in Report 6, above. The Company has not completed its budgeting process for the calendar year 2018, so the investment and expense figures presented in Report 6, above, for calendar year 2018 are not yet final and may be affected by changes in federal high-cost support. The Company anticipates 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 customers 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. Moreover, the major projects identified in Report 6, above, are expected to benefit customers as there described.



USF1010 PENDING VIEW REPORT

Applies to Period:	Year End 12/2016	Reg: 6	WESTERN	Subset 3
Contact Name:	Carol Larson	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-465-2211 Ext:	OO: *****		
Release Status:	Released	Co: 000002451	Western Wahkiakum County Tel. Co.	
Soft Edit Status:	Passed Edit	SAR: 522451	WESTERN WAHKIAKUM	

Description	Pending View	Source
060 Total Loops	1,048	EC
070 Cat. 1.3 Loops	1,042	EC
160 Account 2001	20,800,461	EC
170 Account 1220	245,165	EC
190 Account 3100	13,102,796	EC
195 Account 3400	0	EC
210 Account 4340	1,673,439	EC
220 Net Plant Investment	6,269,391	EC
230 Account 2210	1,197,042	EC
235 Account 2220	0	EC
240 Account 2230	2,413,621	EC
245 Total Central Office	3,610,663	EC
250 Ckt Equip Cat 4.13	1,872,330	EC
255 Account 2410	15,696,312	EC
260 Account 3100 (2210)	1,065,452	EC
265 Account 3100 (2220)	0	EC
270 Account 3100 (2230)	2,383,263	EC
275 Account 3100 (2210-2230)	3,448,715	EC
280 Account 3100 (2410)	8,247,502	EC
310 Account 4340 (2210)	46,041	EC
315 Account 4340 (2220)	0	EC
320 Account 4340 (2230)	42,783	EC
325 Account 4340 (2210-2230)	88,824	EC
330 Account 4340 (2410)	1,626,703	EC
335 Account 6110 Total	17,316	EC
340 Account 6110 Benefits	0	EC
345 Account 6110 Rents	0	EC
350 Account 6120 Total	68,005	EC
355 Account 6120 Benefits	18,791	EC
360 Account 6120 Rents	0	EC
365 Account 6210 Total	92,777	EC
370 Account 6210 Benefits	22,744	EC
375 Account 6210 Rents	0	EC
380 Account 6220 Total	0	EC
385 Account 6220 Benefits	0	EC
390 Account 6220 Rents	0	EC
395 Account 6230 Total	114,392	EC
400 Account 6230 Benefits	42,206	EC
405 Account 6230 Rents	0	EC
410 Account 6210-6230	207,169	EC
430 Account 6410 Total	161,213	EC
435 Account 6410 Benefits	63,158	EC
440 Account 6410 Rents	935	EC
445 Total Plant Specific	453,703	EC
450 Account 6530 Total	439,429	EC
455 Account 6530 Benefits	176,593	EC
510 Account 6560 (2210)	81,265	EC
515 Account 6560 (2220)	0	EC
520 Account 6560 (2230)	157,773	EC



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Contact Phone:	(360)-465-2211 Ext:	OO: *****		
Release Status:	Released	Co: 000002451	Western Wahkiakum County Tel. Co.	
Soft Edit Status:	Passed Edit	SAR: 522451	WESTERN WAHAKIACUM	

Description	Pending View	Source
525 Account 6560 (2210-2230)	239,038	EC
530 Account 6560 (2410)	548,137	EC
535 Account 6710 Total	0	EC
540 Account 6710 Benefits	0	EC
550 Account 6720 Total	894,420	EC
555 Account 6720 Benefits	226,924	EC
565 Sum of Lines 535 + 550	894,420	EC
600 Ben. Por. of all Op. Exp.	599,789	EC
610 Rent Por. of all Op. Exp.	935	EC
650 Account 7200 Other Taxes	244,504	EC
700 2410 (C S Total CWF - AV)	15,624,533	EC
710 2410 (C S CWF - Cat.1)	14,962,688	EC
800 Account 2680 Total	0	EC
805 Account 2680 (2230)	0	EC
810 Account 2680 (Cat. 4.13)	0	EC
815 Acc 2680 (2410) Total CWF	0	EC
820 Acc 2680 (2410)CWF-Cat1	0	EC
830 Account 6560 (2680)	0	EC
850 Account 6310	0	EC
860 Account 6510	0	EC
870 Account 6610	5,846	EC
880 Account 6620	165,103	EC

Comments:



USF1010 OFFICIAL VIEW REPORT

Applies to Period:	Year End 12/2015	Reg: 6	WESTERN	Subset 3
Contact Name:	Carol Larson	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-465-2211 Ext:	OO: *****		
Release Status:	Released	Co: 000002451	Western Wahkiakum County Tel. Co.	
Soft Edit Status:	Passed Edit	SAR: 522451	WESTERN WAHIAKUM	

Description	Official View
060 Total Loops	1,051
070 Cat. 1.3 Loops	1,045
160 Account 2001	20,903,941
170 Account 1220	294,331
190 Account 3100	12,928,388
195 Account 3400	0
210 Account 4340	1,577,043
220 Net Plant Investment	6,692,841
230 Account 2210	1,694,232
235 Account 2220	0
240 Account 2230	2,115,896
245 Total Central Office	3,810,128
250 Ckt Equip Cat 4.13	1,799,713
255 Account 2410	15,552,753
260 Account 3100 (2210)	1,674,387
265 Account 3100 (2220)	0
270 Account 3100 (2230)	2,086,401
275 Account 3100 (2210-2230)	3,760,788
280 Account 3100 (2410)	7,798,984
310 Account 4340 (2210)	29,715
315 Account 4340 (2220)	0
320 Account 4340 (2230)	28,776
325 Account 4340 (2210-2230)	58,491
330 Account 4340 (2410)	1,536,145
335 Account 6110 Total	9,197
340 Account 6110 Benefits	0
345 Account 6110 Rents	0
350 Account 6120 Total	64,391
355 Account 6120 Benefits	11,641
360 Account 6120 Rents	0
365 Account 6210 Total	146,925
370 Account 6210 Benefits	42,241
375 Account 6210 Rents	0
380 Account 6220 Total	0
385 Account 6220 Benefits	0
390 Account 6220 Rents	0
395 Account 6230 Total	111,921
400 Account 6230 Benefits	19,928
405 Account 6230 Rents	0
410 Account 6210-6230	258,846
430 Account 6410 Total	186,917
435 Account 6410 Benefits	52,751
440 Account 6410 Rents	834
445 Total Plant Specific	519,351
450 Account 6530 Total	449,503
455 Account 6530 Benefits	143,712
510 Account 6560 (2210)	17,620
515 Account 6560 (2220)	0
520 Account 6560 (2230)	45,083



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Contact Phone:	(360)-465-2211 Ext:	OO: *****		
Release Status:	Released	Co: 000002451	Western Wahkiakum County Tel. Co.	
Soft Edit Status:	Passed Edit	SAR: 522451	WESTERN WAHAKIACUM	

Description	Official View
525 Account 6560 (2210-2230)	62,703
530 Account 6560 (2410)	486,576
535 Account 6710 Total	0
540 Account 6710 Benefits	0
550 Account 6720 Total	903,594
555 Account 6720 Benefits	198,379
565 Sum of Lines 535 + 550	903,594
600 Ben. Por. of all Op. Exp.	509,651
610 Rent Por. of all Op. Exp.	834
650 Account 7200 Other Taxes	228,332
700 2410 (C S Total CWF - AV)	15,209,001
710 2410 (C S CWF - Cat.1)	14,564,667
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

Comments: