

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

July 1, 2018  
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 2017 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 2017, the Company's gross capital expenditures and operating expenses paid, in whole or in part, with support from the federal high-cost fund were \$716,725 and \$2,893,489, respectively.<sup>1</sup>

Major projects undertaken or completed in the calendar year 2017 include the following:

- (1) Construction, including new, buried fiber optics, on the more challenging drops in Naselle Exchange. These often involved difficult terrain. This work included approximately 16,000 feet of fiber and plowable conduit. This project cost approximately \$231,653 and enhanced service reliability and capacity for approximately 66 people in the Naselle Exchange.
- (2) Construction, including new, buried fiber optics, on the more challenging drops in the Grays River Exchange. These often involved difficult terrain. This work included approximately 9,000 feet of fiber and plowable conduit. This project cost approximately \$123,798 and enhanced service reliability and capacity for approximately 119 people in the Grays River Exchange.
- (3) Excavation and replacement of fiber and plowable conduit on Deep River Road in the Naselle Exchange due to repeated beaver damage. This project cost approximately \$12,283 and enhanced service reliability for approximately 2,345 people in both the Naselle and Grays River Exchanges.

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

- (4) Excavate and replace copper and fiber cables in the Grays River Exchange on the Covered Bridge Road to allow for County road work. This project cost approximately \$12,546 and enhanced service reliability and capacity for approximately 4 people.
- (5) Excavate, remove and replace copper and fiber cables in the Grays River Exchange on Altoona Road to allow for County road work necessitated by a land slide. This project cost approximately \$15,993 and enhanced service reliability and capacity for approximately 42 people in the Grays River Exchange.

Attached is a copy of the Company's NECA-1 Report<sup>2</sup> for the year end 2016. The report for year end 2017 should be available by July 31, 2018, and will be submitted promptly thereafter.

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.<sup>3</sup> 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.

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<sup>2</sup> 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.

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

3. Report 3: Local Services Outage Report: WAC 480-123-070(2):

On January 17, 2017, at approximately 7:30 pm, there was an equipment shutdown caused by a power outage and subsequent power spike to an unmanned office that affected all toll trunks, accessible 911, and DS1 services for all customers (approximately 944) in our Naselle and Grays River Exchanges. It also disrupted local telephone and internet services for approximately 100 customers. Power was restored to the equipment and all services to customers were restored within 13 hours. A dual inverter has since been installed at this site to provide back up in case of one inverter failing.

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.*, 2019) are projected to be approximately \$580,000 and \$2,800,000, respectively.

Major projects planned to be undertaken or completed in the calendar year 2019 include the following:

2019:

- (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 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.

- (3) Construction and relocation of aerial 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 approximately \$30,000, and the project is expected to improve service and reliability for approximately 105 people in the Naselle Exchange.
- (4) Construction and relocation of 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.

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 2019, are planned to remain relatively the same as those the Company experienced in calendar year 2017, 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 2019, so the investment and expense figures presented in Report 6, above, for calendar year 2019 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 LATEST 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	Latest View
525 Account 6560 (2210-2230)	239,038
530 Account 6560 (2410)	548,137
535 Account 6710 Total	0
540 Account 6710 Benefits	0
550 Account 6720 Total	894,420
555 Account 6720 Benefits	226,924
565 Sum of Lines 535 + 550	894,420
600 Ben. Por. of all Op. Exp.	599,789
610 Rent Por. of all Op. Exp.	935
650 Account 7200 Other Taxes	244,504
700 2410 (C S Total CWF - AV)	15,624,533
710 2410 (C S CWF - Cat.1)	14,962,688
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
850 Account 6310	0
860 Account 6510	0
870 Account 6610	5,846
880 Account 6620	165,103

Comments:

Date: 12/14/2017      Adjustment Type: EC Initiated  
 1. Revision due to USF Reconciliation