

1  
2  
3  
4  
5  
6 **BEFORE THE WASHINGTON**  
7 **UTILITIES AND TRANSPORTATION COMMISSION**

8 IN RE

9  
10 PETITION OF WESTERN WAHAKIYAKUM  
11 COUNTY TELEPHONE COMPANY TO  
12 RECEIVE SUPPORT FROM THE STATE  
UNIVERSAL COMMUNICATIONS  
SERVICES PROGRAM

DOCKET NO.

PETITION FOR SUPPORT

13  
14 COMES NOW Western Wahkiakum County Telephone Company, d/b/a Wahkiakum West  
15 Telephone and d/b/a WWEST Communications ("Company"), and, pursuant to Chapter 480-123 of  
16 the Washington Administrative Code ("WAC") including, but not limited to, WAC 480-123-110,  
17 hereby petitions the Washington Utilities and Transportation Commission (the "Commission") to  
18 receive support from the State Universal Communications Services Program (the "Program") for  
19 the Program year 2021.

20  
21 **I. Demonstration of Eligibility under WAC 480-123-100**

- 22  
23 1. WAC 480-123-100(1)(a): The Company is a local exchange company as defined in WAC  
24 480-120-021 that serves less than forty thousand access lines within the state.

25  
26 PETITION OF WESTERN WAHAKIYAKUM  
COUNTY TELEPHONE COMPANY TO  
RECEIVE SUPPORT FROM THE STATE  
UNIVERSAL COMMUNICATIONS  
SERVICES PROGRAM - 1

2. WAC 480-123-100(1)(b): The Company is an incumbent local exchange carrier as defined in 47 U.S.C. Sec. 251(h) or has been designated as an incumbent local exchange carrier by the Federal Communications Commission.
3. WAC 480-123-100(1)(c): The Company offers basic residential and business exchange telecommunications services as set forth in WAC 480-120-021 and RCW 80.36.630.
4. WAC 480-123-100(1)(d): The Company has established a plan, as described in WAC 480-123-110, to provide, maintain or enhance broadband service (see II.4 below).
5. WAC 480-123-100(1)(e): The Company has been designated by the Commission as an eligible telecommunications carrier (“ETC”) for purposes of receiving federal universal services support pursuant to 47 C.F.R. Part 54 Subpart D - Universal Service Support for High Cost Areas with respect to the service area for which the Company is seeking Program support.

## II. Demonstration of Eligibility under WAC 480-123-110

1. WAC 480-123-110(1)(a): The name of the legal entity that provides communications services and is seeking Program support is as follows: Western Wahkiakum County Telephone Company.
2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between the Company and all affiliates as defined in RCW 80.16.010 is attached hereto as Exhibit 1.<sup>1</sup>

---

<sup>1</sup> Pursuant to agreement with Commission Staff, Exhibit 1 is limited to those affiliates having transactions with the Company that are to be identified in Exhibit 2.

1 A detailed description of any transactions between the Company and the affiliates named in  
2 Exhibit 1 recorded in the Company's operating accounts is attached hereto as Exhibit 2.<sup>2</sup>

- 3 3. WAC 480-123-110(1)(c): Service area maps for the Company can be found at Sheet Nos.  
4 21 and 21.1 of the Company's Tariff WN U-4.
- 5 4. WAC 480-123-110(1)(d): The Company's broadband plan to provide, maintain, or enhance  
6 broadband services in its service area is attached hereto as Exhibit 3.
- 7 5. WAC 480-123-110(1)(f): A sworn statement by a Company officer certifying that the  
8 Company complies with state and federal accounting, cost allocation, and cost adjustment  
9 rules pertaining to incumbent local exchange carriers applicable to the Company is attached  
10 hereto as Exhibit 4.
- 11 6. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by  
12 the Company as of December 31, 2019, was 771. The number of residential local exchange  
13 access lines served by the Company as of December 31, 2018, was 866. The number of  
14 business access local exchange access lines served by the Company as of December 31,  
15 2019, was 167. The number of business local exchange access lines served by the Company  
16 as of December 31, 2018, was 192. The number of "25/3" broadband service connections  
17 served by the Company or a Company affiliate as of December 31, 2019, was 449.<sup>3</sup> The  
18  
19  
20

---

21 <sup>2</sup> Pursuant to agreement with the Commission Staff, Exhibit 2 is limited to transactions other than employment  
22 compensation and benefits pursuant to employee benefit plans.

23 <sup>3</sup> "25/3" refers to the minimum, nominal download and upload speeds, respectively, of the broadband service offering to  
24 which the customer subscribes, and the counts of service connections that are provided in the sentences to which this  
25 footnote is attached include service connections for which the nominal download and upload speeds are 25/3 or higher .  
As used in the principal text, the term "broadband service" is understood to refer to "broadband service," as defined in  
WAC 480-123-020, which, in turn, incorporates minimum download and upload speed standards established by  
Commission rule or order. For the Commission's most recent establishment of minimum download and upload speed

1 number of “25/3” broadband service connections served by the Company or a Company  
2 affiliate as of December 31, 2018 was 318.<sup>1</sup> The unbundled monthly basic rate charged by  
3 the Company for residential local exchange access service on December 31, 2019, was  
4 \$18.00. The unbundled monthly basic rate charged by the Company for residential local  
5 access service on December 31, 2018 was \$18.00. The unbundled monthly basic rate  
6 charged by the Company for single line business local exchange service on December 31,  
7 2019, was \$18.80. The unbundled monthly basic rate charged by the Company for single  
8 line business local exchange access service on December 31, 2018, was \$18.80. (The  
9 Company has other business local exchange service rates, but the Company understands that  
10 WAC 480-123-110(1)(g) is requesting the single line businesses local exchange access  
11 service rate.) The unbundled monthly rates charged by the Company or its affiliate for  
12 broadband service as of December 31, 2019, and as of December 31, 2018, are set out in  
13 Exhibit 5 attached hereto.  
14

15 7. WAC 480-123-110(1)(h): The requested statements are attached hereto as Exhibit 6.  
16

17 8. WAC 480-123-110(1)(h)(i): A sworn statement by a Company officer certifying that the  
18 Company is in compliance with the Federal Communications Commission’s obligation for  
19 deployment of broadband at speeds specified by the Federal Communications Commission  
20


21  
22 standards, see Paragraph 15 of the Commission’s order, dated May 27, 2020, in Docket No. UT-190437. The total  
23 number of broadband service connections served by the Company or its affiliate, including nominal speed tiers not only  
24 at or above “25/3,” but also below “25/3,” as of December 31, 2019, and December 31, 2018, was 861 and 836,  
25 respectively. All of the broadband service connections served by the Company or its affiliate for customers who choose  
26 to subscribe to broadband service offerings that are less robust than “25/3” are capable of providing “25/3” broadband  
service or better if the customer were to so choose.

1 applicable to the Company and that the Company meets one of the eligibility criteria set out  
2 in WAC 480-123-110(1)(j)(ii), (iii) or (iv) is attached hereto as Exhibit 7.

3 9. All exhibits attached hereto are incorporated into this Petition as though fully set forth.  
4

5 Respectfully submitted this 30 day of July, 2020.  
6

7 WESTERN WAHAKIAKUM COUNTY TELEPHONE COMPANY  
8

9   
10 By: Steven M. Appelo  
11 Title: President

12 CERTIFICATION

13 I, Steven M. Appelo, an officer of the Company that is responsible for the Company's  
14 business and financial operations, in that capacity hereby certify that the information and  
15 representations set forth in the Petition, above, are accurate and the Company has not knowingly  
16 withheld any information required to be provided to the Commission pursuant to the rules  
17 governing the Program.

18 I declare under penalty of perjury under the laws of the State of Washington that the  
19 foregoing is true and correct.

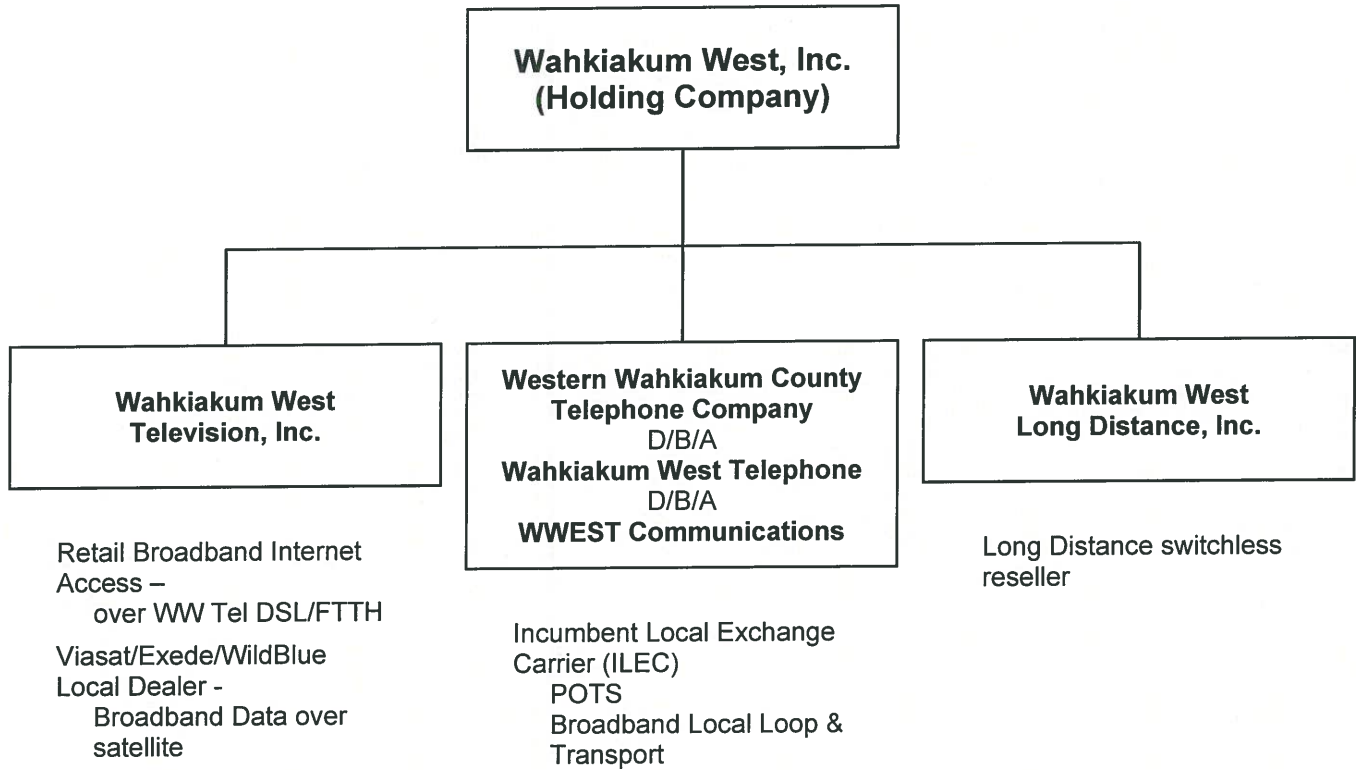
20 Signed this 30<sup>st</sup> day of July, 2020, at Olympia, Washington.  
21

22   
23 Steven M. Appelo  
24 President  
25

EXHIBIT 1

CORPORATE ORGANIZATION CHART

**Western Wahkiakum County Telephone Company  
Corporate Structure**



## EXHIBIT 2

### AFFILIATED TRANSACTIONS

Western Wahkiakum County Telephone Company (“Wahkiakum West Telephone”), doing business as Wahkiakum West Telephone and as WWEST Communications, is affiliated with Wahkiakum West Long Distance, Inc. (“WWLDI”) and Wahkiakum West Television, Inc. (“WWTVI”). All three companies are wholly-owned subsidiaries of Wahkiakum West, Inc. Wahkiakum West Telephone has transactions with each of WWLDI, WWTVI and Wahkiakum West, Inc. that are recorded on Wahkiakum West Telephone’s books of account.<sup>1</sup>

#### **Wahkiakum West Long Distance, Inc. (WWLDI)**

WWLDI is a switchless toll reseller, which purchases toll from various interexchange carriers and resells it to Wahkiakum West Telephone and its end user customers. The toll appears on the monthly telephone statements of end user customers who have chosen WWLDI as their toll provider. Wahkiakum West Telephone provides billing and collection services for WWLDI, for which Wahkiakum West Telephone charges WWLDI the same tariffed (intrastate service) or contracted (Interstate service) rates that Wahkiakum West Telephone charges any other carrier who uses Wahkiakum West Telephone to do their toll billing and collection. Wahkiakum West Telephone purchases the toll billing receivables from WWLDI. The billing and collection charges are collected each month by being netted against the purchase of accounts receivable. Wahkiakum West Telephone also charges Wahkiakum West Long Distance a fully loaded labor rate for any employee time spent on WWLDI’s behalf above and beyond what is included in the billing and collection function, such as providing customer service or marketing. The employee time, if any, is tracked via daily time sheets and reimbursed quarterly so that all applicable benefits and payroll taxes are included in the reimbursement. The billing and collection charges are booked by Wahkiakum West Telephone as interstate or intrastate regulated access revenue, as applicable. The reimbursement for loaded labor charges is booked by Wahkiakum West Telephone as a reduction to regulated customer operations expense.

As noted above, WWLDI also provides toll service to Wahkiakum West Telephone. Wahkiakum West Telephone pays WWLDI WWLDI’s price listed rates for such toll service, and books the amounts so incurred to the applicable expense account.

---

<sup>1</sup> Wahkiakum West Telephone also pays per-meeting director’s fees to the members of its board of directors for their attendance at board meetings.

### **Wahkiakum West Television, Inc. (WWTVI)**

WWTVI no longer provides television services, but is a retail Internet service provider with the DBAs of Wahkiakum West Internet, Wahkiakum West, and wwest.net. WWTVI is also a Viasat/Exede/WildBlue Satellite internet service retailer. Wired broadband services are purchased by WWTVI from Wahkiakum West Telephone at the NECA tariffed wholesale rates and sold by WWTVI to end users under the above Wahkiakum West Television, Inc. DBAs. Wahkiakum West Television purchases its satellite services and equipment directly from an independent third-party vendor. WWTVI pays Wahkiakum West Telephone a monthly billing and collection fee based on the number of customers billed each month. WWTVI also pays Wahkiakum West Telephone a fully loaded hourly rate for all other employee time spent on behalf of Wahkiakum West Television and any of its services. Employee time, if any, is tracked via daily time sheets and reimbursed quarterly so that all related employee benefits and taxes are included in the reimbursement. The reimbursement for loaded labor charges is booked by Wahkiakum West Telephone as a reduction to regulated customer operations expense.

WWTVI also provides a small retail computer repair service. Employee time of Wahkiakum West Telephone devoted to this activity, if any, is tracked via daily time sheets and reimbursed quarterly so that all related employee benefits and taxes are included in the reimbursement. The reimbursement for loaded labor charges is booked by Wahkiakum West Telephone as a reduction to regulated customer operations expense. WWTVI also directly purchases all of its own additional supplies and equipment.

### **Wahkiakum West, Inc.**

Wahkiakum West, Inc. files a consolidated Federal income tax return that includes Wahkiakum West Telephone. Quarterly income tax payments are made by Wahkiakum West Telephone. Wahkiakum West Inc. and each affiliate reimburse Wahkiakum West Telephone for their respective allocated share of any Federal income tax liability.

From time to time, Wahkiakum West Telephone pays dividends with respect to its issued and outstanding common stock, with such payments being made to Wahkiakum West, Inc.

Additionally, Wahkiakum West, Inc. has lent funds for construction to Wahkiakum West Telephone. These loans are interest-bearing and are reflected on the books of Wahkiakum West Telephone.



## EXHIBIT 3

### BROADBAND PLAN

This Broadband Plan, as contemplated by RCW 80.36.650(3)(a)(ii) and WAC 480-123-110(1)(d), is being adopted by **Western Wahkiakum County Telephone Company** (“Company”) with the expectation that it will be submitted to the Washington Utilities and Transportation Commission (“Commission”) as one component of a petition by the Company for support from the state Universal Communications Services Program established by RCW 80.36.650 (“Program”). Pursuant to RCW 80.36.650(3), a recipient of support from the Program is to have adopted a plan to provide, enhance, or maintain broadband services in its service area. As set out in WAC 480-123-110(1)(d), the broadband plan is to include specific elements, but only to the extent applicable to that particular broadband plan. The broadband plan does not have to include all elements, but potential elements include the following: (1) a multi-year investment plan; (2) specific project(s) that are projected to provide or enhance broadband services at speeds required by the Commission or the Federal Communications Commission; (3) a plan for maintenance of broadband services in the provider’s service area; (4) a description of how the provider will enhance broadband services in its service area; and (5) any other information that the Commission may request to assist in the Commission's review and analysis of the provider's broadband plan. Where there are specific projects, the project information is to include an estimated timeline, geographic location, number of locations passed, and upload and download speeds that are projected to be produced by the project.

The Company has already constructed facilities sufficient for it to satisfy either criterion three or criterion four of WAC 480-123-110 and, as a result, has placed into service robust broadband infrastructure throughout all populated portions of its service area. Consequently, the

Company intends to apply for Program support to allow it to continue to provide telecommunications services and broadband services at the levels that it is providing today, with enhancements where and when appropriate. Accordingly, the Company's plan includes the following elements:

**Broadband Plan:**

The Company has already built broadband-capable, optical fiber to all existing homes and businesses in its service area. It plans to continue its network-wide process of testing and installation of central office equipment and cutting-over customers from older copper service to these new facilities. While the Company has been and is performing this cutover process on a locality-by-locality basis, any customer who requests the fiber-based service is promptly so connected. Subject to such limiting circumstances, if any, as may be applicable, the Company plans to continue this approach to network upgrades and service connection cut-overs. Having such upgrades in place will not only improve existing service levels, but also enhance the Company's ability to deliver higher broadband speeds more quickly in response to specific customer requests and minimize the risk that a sudden surge in demand might exceed the Company's ability to satisfy that demand as swiftly as desired.

The cutover for existing customers, as well as installations for newly constructed homes, requires investment in both equipment and labor. In addition, the Company is investing in and maintaining open WiFi hotspots to help the community cope with the challenges of the Covid-19 pandemic, and the Company plans to continue this practice for so long as, in the Company's judgment, there is a need for such hotspots for that purpose. At present, it is the Company's understanding that classrooms are closed to students and the local school in the Company's service area is working out how to move teaching online. Although all homes in the Company's service area have access to robust internet speeds up to 300 mbps, some families either have

chosen not to subscribe or cannot afford to subscribe to that service. To help address these circumstances, the Company is maintaining hotspots at locations spread out over its service area. These include at the parking lots of the Rosburg Community Hall, the Company's office, and the Appelo Archives Center. These are designed to complement the Company's existing broadband services in its service area.

The Company has been enabled to do all this largely through its borrowing from the Rural Utilities Service of the United States Department of Agriculture ("RUS"), which has funded the construction of the Company's fiber-to-the-home network, the procurement of the necessary fiber optic cable and associated cable-plant components, as well as the replacements and upgrades to the Company's switching and transport electronics. In turn, such borrowing has been facilitated by the support that the Company has received from Federal universal service programs and the state Universal Communications Services Program.

In addition to the foregoing, the Company's broadband plan includes continued investment by the Company in the maintenance and enhancement of its telecommunications and broadband network through support contracts with its primary equipment vendors, including Calix, Ribbon, Fujitsu and Tellabs. Such support contracts generally provide for both maintenance of existing platforms, and enhancement of the capabilities those platforms offer as such enhancements become available.

While the Covid-19 pandemic makes forecasting uncertain, the Company anticipates that, if its application for support from the Program during the coming [Program year is granted, its [expenditures during that period in providing, enhancing and maintaining broadband services in its service area, including payments in support of the above-mentioned RUS financing, will exceed the funding that it expects to receive from the Program for that period. This expectation reflects the Company's belief that it will continue to be guided by its

goal of providing robust broadband capability wherever such capability is needed within the Company's service area.

The foregoing Broadband Plan was adopted by Western Wahkiakum County Telephone Company on July 30, 2020.

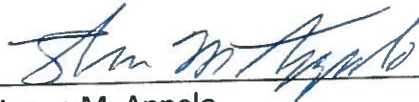
EXHIBIT 4

CERTIFICATION RELATING TO ACCOUNTING STANDARDS

I, Steven M. Appelo, am an officer of Western Wahkiakum County Telephone Company and, in that capacity, I hereby certify that the Company complies with state and federal accounting, cost allocation, and cost adjustment rules pertaining to incumbent local exchange carriers applicable to the Company.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signed this 30<sup>th</sup> day of July, 2020, at Olympia, Washington.



Steven M. Appelo  
President

EXHIBIT 5

BROADBAND RATES

The following tables set forth the unbundled monthly basic rates for broadband service provided by Western Wahkiakum County Telephone Company or its affiliate as of December 31, 2019, and as of December 31, 2018:

BROADBAND RATES FOR VOICE SERVICE LOCATIONS as of 12/31/2019

<u>Service Offering</u>	<u>Nominal Speed</u>	<u>Unbundled Monthly Basic Rate</u>
FIBER 30	30 Mbps Down, 10 Mbps Up	\$59.95
FIBER 75	75 Mbps Down, 25 Mbps Up	\$79.95
FIBER 125	125 Mbps Down, 40 Mbps Up	\$99.95
FIBER 250	250 Mbps Down, 65 Mbps Up	\$129.95

BROADBAND RATES FOR NON-VOICE SERVICE LOCATIONS as of 12/31/2019

<u>Service Offering</u>	<u>Nominal Speed</u>	<u>Unbundled Monthly Basic Rate</u>
FIBER 30	30 Mbps Down, 10 Mbps Up	\$71.95
FIBER 75	75 Mbps Down, 25 Mbps Up	\$91.95
FIBER 125	125 Mbps Down, 40 Mbps Up	\$111.95
FIBER 250	250 Mbps Down, 65 Mbps Up	\$141.95

BROADBAND RATES FOR VOICE SERVICE LOCATIONS as of 12/31/2018

<u>Service Offering</u>	<u>Nominal Speed</u>	<u>Unbundled Monthly Basic Rate</u>
FIBER 30	30 Mbps Down, 10 Mbps Up	\$59.95
FIBER 75	75 Mbps Down, 25 Mbps Up	\$79.95
FIBER 125	125 Mbps Down, 40 Mbps Up	\$99.95
FIBER 200	200 Mbps Down, 65 Mbps Up	\$129.95

BROADBAND RATES FOR NON-VOICE SERVICE LOCATIONS as of 12/31/2018

not available as of 12/31/2018

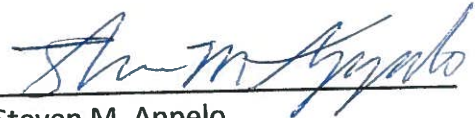
EXHIBIT 6

CONTINUED OPERATIONS CERTIFICATE

I, Steven M. Appelo, am an officer of Western Wahkiakum County Telephone Company ("Company") and, in that capacity, hereby certify that if the Company receives Program support pursuant to the Petition of which this Exhibit 6 is a part, (i) the Company will continue to provide communications services pursuant to its tariffs on file with the Commission throughout its service territory in Washington for which the Company is seeking and receives such Program support and (ii) the Company or its affiliate will continue to provide broadband services in the area for which the Company receives such Program support during the entirety of the Program year 2021.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signed this 30<sup>st</sup> day of July, 2020, at Olympia, Washington.



Steven M. Appelo  
President

EXHIBIT 7

CERTIFICATION OF ELIGIBILITY

I, Steven M. Appelo, am an officer of Western Wahkiakum County Telephone Company and, in that capacity, hereby certify that the Company is in compliance with the Federal Communications Commission's obligations for deployment of broadband at speeds specified by the Federal Communications Commission that apply to the Company.

Further, in that capacity, I hereby certify that the Company has broadband service available to one hundred percent of locations within the Company's service area and the Company commits to making broadband service available to any new locations within the Company's service area if such arise.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signed this 30<sup>st</sup> day of July, 2020, at Olympia, Washington.

  
Steven M. Appelo  
President

PETITION OF WESTERN WAHAKIACUM  
COUNTY TELEPHONE COMPANY TO  
RECEIVE SUPPORT FROM THE STATE  
UNIVERSAL COMMUNICATIONS  
SERVICES PROGRAM –  
EXHIBIT 7