

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080
Contains Certifications Required by WAC 480-123-060 and 070
July 1, 2024

Skyline Telecom (“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 2023 as follows: Strictly to provide, maintain, and upgrade facilities and services for which the support is intended.

For 2023 the Company's gross capital expenditures were \$218,991. The Company's 2023 regulated operating expenses were \$679,662. Recent major projects include continued construction of fiber to the home in the MT Hull Exchange, noted as Mount Hull 2023. Subscribers were converted to fiber with broadband speeds exceeding the 25/3 requirement. This Phase had the potential of 30 subscribers. Skyline could offer speeds up to 1 Gigabit for all fiber locations.

Funds were also used in 2023 to purchase a new switch for the Mt Hull exchange. This switch will allow for operational efficiency and cost savings as it is part of an overall switch consolidation project at the parent level, Oregon Telephone Corporation.

Per the direction of Commission Staff, the NECA -1 report is filed along with this report as an attachment.

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

The customers served by the Company benefited from the use of high-cost fund support by continuing to receive high quality telecommunications services.

Through the expenditure of these 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.¹ 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

¹ The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

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):

Local outages are disclosed on the FCC Form 481.

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):

No complaints were filed during 2023 regarding service quality as reported by the consumer service protection division of the Attorney General's Office. In addition, no complaints were received from the FCC for calendar year 2023.

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

The Company has not yet started the budgeting process for 2025 and therefore does not have the final numbers prepared for investments and expense levels for the period January 1, 2025 through December 31, 2025. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2023, 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.

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, the planned investment and expenses related to Washington state for the period January 1, 2025, through December 31, 2025, will remain relatively the same as those it experienced in calendar year 2023, 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. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2025. The Company expects 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.

**AFFIDAVIT CONTAINING CERTIFICATIONS
PURSUANT TO WAC 480-123-060 AND WAC 480-123-070**

I, Delinda Kluser, being of lawful age, state that I am Vice-Pres, Finance of Skyline Telecom Inc. dba Rally Networks (“Company”), that I am authorized to execute this Affidavit on behalf of the Company, and that the facts set forth in this Affidavit are true to the best of my knowledge, information and belief. On this basis, I hereby certify to the Washington Utilities and Transportation Commission (“Commission”) for use by the Commission in providing the certification to the Federal Communications Commission and Universal Service Administrative Company required by 47 C.F.R. §54.314, as follows:

(1) That the Company in 2023 used and in the coming calendar year will use federal high-cost universal service fund support provided to the Company in the State of Washington only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;

(2) That during the 2023 calendar year, the Company met substantially the applicable service quality standard and consumer protection rules found in WAC 480-123-030(1)(h);


(3) That during the 2023 calendar year, the Company maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wireline carriers in emergency situations; and

(4) That during the 2023 calendar year, the Company publicized the availability of its applicable telephone assistance programs in a manner reasonably designed to reach those likely to qualify for service and in a manner which, in the Company’s judgment, included advertisements likely to reach those who are not current customers of the Company within the Company’s designated service area.

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

Dated this 13thday of June, 2024 at MT Vernon, Oregon.

Company: Skyline Telecom Inc. dba Rally Networks

By:  _____

Type Name: Delinda Kluser

Its: Vice-Pres, Special Project Accounting



USF1010 ERROR REPORT

Applies to Period:	Year End 12/2023	Reg: 6	WESTERN	Subset 3
Contact Name:	Carrie Jungwirth	MSM: 000052439	Dan Hintz	
Contact Phone:	(541)-932-4411 Ext:	OO: *****		
Release Status:	Not Released	Co: 000005801	Skyline Telecom Company	
Soft Edit Status:	Failed Edit	SAR: 520581	SKYLINE TELECOM CO.	

Description	Pending View	Message
060 Total Loops	95	
070 Cat. 1.3 Loops	95	
090 CBO Loops	0	
160 Account 2001	3,302,711	
170 Account 1220	1,079	
190 Account 3100	2,744,345	
195 Account 3400	0	
210 Account 4340	53,639	
220 Net Plant Investment	505,806	
230 Account 2210	404,776	
235 Account 2220	0	
240 Account 2230	307,114	
245 Total Central Office	711,890	
250 Ckt Equip Cat 4.13	245,543	
255 Account 2410	2,391,599	
260 Account 3100 (2210)	269,089	
265 Account 3100 (2220)	0	
270 Account 3100 (2230)	307,114	
275 Account 3100 (2210-2230)	576,203	
280 Account 3100 (2410)	2,051,210	
310 Account 4340 (2210)	6,655	
315 Account 4340 (2220)	0	
320 Account 4340 (2230)	5,049	
325 Account 4340 (2210-2230)	11,704	
330 Account 4340 (2410)	39,320	
335 Account 6110 Total	0	
340 Account 6110 Benefits	0	
345 Account 6110 Rents	0	
350 Account 6120 Total	8,662	
355 Account 6120 Benefits	0	
360 Account 6120 Rents	0	
365 Account 6210 Total	44,760	
370 Account 6210 Benefits	440	
375 Account 6210 Rents	0	
380 Account 6220 Total	0	
385 Account 6220 Benefits	0	
390 Account 6220 Rents	0	
395 Account 6230 Total	43,310	
400 Account 6230 Benefits	219	
405 Account 6230 Rents	0	
410 Account 6210-6230	88,070	
430 Account 6410 Total	164,974	
435 Account 6410 Benefits	1,909	
440 Account 6410 Rents	0	
445 Total Plant Specific	261,706	
450 Account 6530 Total	68,105	
455 Account 6530 Benefits	501	
510 Account 6560 (2210)	0	
515 Account 6560 (2220)	0	



USF1010 ERROR REPORT

Applies to Period:	Year End 12/2023	Reg: 6	WESTERN	Subset 3
Contact Name:	Carrie Jungwirth	MSM: 000052439	Dan Hintz	
Contact Phone:	(541)-932-4411 Ext:	OO: *****		
Release Status:	Not Released	Co: 000005801	Skyline Telecom Company	
Soft Edit Status:	Failed Edit	SAR: 520581	SKYLINE TELECOM CO.	

Description	Pending View	Message
520 Account 6560 (2230)	31,385	
525 Account 6560 (2210-2230)	31,385	
530 Account 6560 (2410)	17,601	
535 Account 6710 Total	0	
540 Account 6710 Benefits	0	
550 Account 6720 Total	197,221	
555 Account 6720 Benefits	1,825	
565 Sum of Lines 535 + 550	197,221	
600 Ben. Por. of all Op. Exp.	4,938	
610 Rent Por. of all Op. Exp.	0	
650 Account 7200 Other Taxes	-30,873	Should not be negative
700 Account 2410 (CWF)	2,391,599	
710 Account 2410 (CWF-Cat.1)	1,928,885	
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	0	
880 Account 6620	43,766	
Control Total:	19,432,645	

Comments: