

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

8 IN RE

9
10 PETITION OF HOOD CANAL
11 TELEPHONE CO., INC. TO RECEIVE
12 SUPPORT FROM THE STATE
UNIVERSAL COMMUNICATIONS
SERVICES PROGRAM

DOCKET NO.

PETITION FOR SUPPORT

13
14 COMES NOW Hood Canal Telephone Co., Inc. (the "Company") and, pursuant to Chapter
15 480-123 of the Washington Administrative Code ("WAC") including, but not limited to, WAC 480-
16 123-110, hereby petitions the Washington Utilities and Transportation Commission (the
17 "Commission") to receive support from the State Universal Communications Services Program
18 established in RCW 80.36.650 (the "Program") for the Program year 2017.

19
20 **I. Demonstration of Eligibility under WAC 480-123-100**

- 21 1. WAC 480-123-100(1)(a): The Company is a local exchange company as defined in WAC
22 480-120-021 that serves less than forty thousand access lines within the state.
23
24
25
26

- 1 2. WAC 480-123-100(1)(b): The Company is an incumbent local exchange carrier as defined
2 in 47 U.S.C. Sec. 251(h).
- 3 3. WAC 480-123-100(1)(c): The Company offers basic residential and business exchange
4 telecommunications services as set forth in WAC 480-120-021 and RCW 80.36.630.
- 5 4. WAC 480-123-100(1)(d): The Company's rates for residential local exchange service, plus
6 mandatory extended area service charges, are no lower than the local urban rate floor
7 established by the Commission as the benchmark rate based on the Federal Communications
8 Commission's national local urban rate floor pursuant to 47 C.F.R. Sec. 54.318 in effect on
9 the date of this Petition.
- 10 5. WAC 480-123-100(1)(e): The Company has been designated by the Commission as an
11 eligible telecommunications carrier for purposes of receiving federal universal services
12 support pursuant to 47 C.F.R. Part 54 Subpart D - Universal Service Support for High Cost
13 Areas with respect to the service area for which the Company is seeking Program support.
14
15
16

17 **II. Demonstration of Eligibility under WAC 480-123-110**

- 18 1. WAC 480-123-110(1)(a): The name of the legal entity that provides communications
19 services and is seeking Program support is as follows: Hood Canal Telephone Co., Inc.
- 20 2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between
21 the Company and all affiliates as defined in RCW 80.16.010, is attached hereto as Exhibit 1.
22 A detailed description of any transactions between the Company and the affiliates named in
23 Exhibit 1 recorded in the Company's operating accounts is attached hereto as Exhibit 2.
24
25
26

- 1 3. WAC 480-123-110(1)(c): A service area map for the Company can be found at Sheet No.
2 105 of the Company's Tariff WN U-2.
- 3 4. WAC 480-123-110(1)(d): A demonstration that the Company's customers are at risk of rate
4 instability or service interruption or cessation in the absence of support from the Program is
5 attached hereto as Exhibit 3.
- 6 5. WAC 480-123-110(1)(e)(i): On the Commission's prescribed form, attached hereto as
7 Exhibit 4, are copies of the Company's balance sheet as of December 31, 2015, and
8 December 31, 2014, and copies of the Company's statements of income and retained
9 earnings or margin for the years ended December 31, 2015 and December 31, 2014. In
10 addition, certain service information requested by the Commission is included in Exhibit 4.
11
- 12 6. WAC 480-123-110(1)(e)(ii): A copy of the parent Company's consolidated annual financial
13 statements for the years ended December 31, 2015 and December 31, 2014, are attached
14 hereto as Exhibit 5.
- 15 7. WAC 480-123-110(1)(e)(iii): Information demonstrating the Company's earned rate of
16 return on a total Washington unseparated regulated operations basis for each of the two prior
17 years, calculated in the manner prescribed by the Commission, is provided in Exhibit 4
18 hereto.
- 19 8. WAC 480-123-110(1)(e)(iv): Information demonstrating the Company's earned return on
20 equity on a total company (regulated and non-regulated) Washington basis for each of the
21 two prior years, calculated in the manner prescribed by the Commission, is provided in
22 Exhibit 4 hereto.
23
24
25
26

- 1 9. WAC 480-123-110(1)(e)(v): Information detailing all of the Company's assets and revenues
2 from the balance sheets, statements of income and retained earnings or margin in the same
3 format and detail as is required to complete USDA-RUS Operating Report for the prior two
4 years is presented on Exhibit 6 attached hereto.
- 5 10. WAC 480-123-110(1)(e)(vi): A statement under penalty of perjury from a Company officer
6 with personal knowledge and responsibility certifying that no corporate operations
7 adjustment to existing high-cost loop and interstate common line support mechanisms
8 required by the Federal Communications Commission applied to the Company for the two
9 prior years is attached hereto as Exhibit 7.
- 10 11. WAC 480-123-110(1)(e)(vii): Exhibit 4 contains additional supporting information
11 requested by the Commission.
- 12 12. WAC 480-123-110(1)(e)(viii): A statement under penalty of perjury from a Company
13 officer with personal knowledge and responsibility certifying that the Company complies
14 with state and federal accounting, cost allocation, and cost adjustment rules pertaining to
15 incumbent local exchange companies is attached hereto as Exhibit 8.
- 16 13. WAC 480-123-110(1)(f): A complete copy of the FCC Form 481 filed by the Company or
17 on its behalf with the Federal Communications Commission for the calendar year preceding
18 the current year has already been filed with the Commission. See the Company's filing in
19 Docket No. UT-160030 filed on or about July 1, 2016.
- 20 14. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by
21 the Company as of December 31, 2015, was 613, all of which were within the geographic
22
23
24
25
26

1 area for which the Company is seeking support. The number of residential local exchange
2 access lines served by the Company as of December 31, 2014, was 627, all of which were
3 within the geographic area for which the Company is seeking support. The number of
4 business local exchange access lines served by the Company as of December 31, 2015, was
5 224, all of which were within the geographic area for which the Company is seeking
6 support. The number of business local exchange access lines served by the Company as of
7 December 31, 2014, was 222, all of which were within the geographic area for which the
8 Company is seeking support. The monthly recurring rate charged by the Company for
9 residential local exchange access service on December 31, 2015 and 2014, was \$16.00. The
10 monthly recurring rate charged by the Company for residential local exchange access
11 service on June 30, 2016, was \$18.00. The rate charged by the Company for single line
12 business local exchange access service on December 31, 2015 and 2014, was \$19.50. (The
13 Company has other business local exchange service rates, but the Company understands that
14 WAC 480-123-110(1)(g) is requesting the single line business local exchange access service
15 rate.)
16
17

18 15. WAC 480-123-110(1)(h): The requested statement is attached hereto as Exhibit 9.

19 16. The 2011 Rate of Return Carrier Base Period Revenue amount on line 4 of the CAF ICC
20 Data Collection Report for the period of July 1, 2016 to June 30, 2017 has not changed from
21 prior filings for Hood Canal Telephone Co., Inc.
22
23
24
25
26

1 17. All exhibits attached hereto are incorporated in this Petition as though fully set forth.

2 Respectfully submitted this 28th day of July, 2016.

3
4 HOOD CANAL TELEPHONE CO., INC.

5
6 CERTIFICATION

7 I, Richard Buechel, an officer of Hood Canal Telephone Co. Inc. (the "Company") that is
8 responsible for the Company's business and financial operations, hereby certify under penalty of
9 perjury that the information and representations set forth in the Petition, above, are accurate and the
10 Company has not knowingly withheld any information required to be provided to the Commission
11 pursuant to the rules governing the Program.

12 Dated at Union, Washington this 28th day of July, 2016.

13 By: Richard Buechel

14 Title: Richard Buechel, President