



HoodCanal
COMMUNICATIONS

Cable TV - Voice - Broadband - Cellular

July 25, 2014

Mr. Steven King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Eligible Telecommunications Carriers' Annual Certification on High Cost
Fund Pursuant to WAC 480-123-060, 070, 080 and 47 C.F.R. §54.314

Dear Mr. King:

Attached are the revised Affidavit and Reports for Hood Canal Telephone Company's Eligible Telecommunications Carriers' Annual Certification on High Cost Fund pursuant to WAC 480-123-060, WAC 480-123-070 and WAC 480-123-080 filing with the Washington Utilities and Transportation Commission per instructions from the commission staff referencing Docket #UT-141440.

Sincerely,

Richard Buechel
President

Enclosures

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

I, Richard Buechel, being of lawful age, state that I am the President of Hood Canal Telephone Co., Inc. ("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 all federal high-cost support provided to the Company has been used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;

(2) That during the 2013 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

(3) That during the 2013 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 2013 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 25 day of July 2014, at Union, Washington.

Company: Hood Canal Telephone Co., Inc.

By: Richard Buechel
Richard Buechel

Its: President

**REPORTS AS REFERENCED IN WAC 480-123-070
AND WAC 480-123-080**

Hood Canal Telephone Co., Inc. (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.¹

Report 1: WAC 480-123-070(1)(a): Attached are copies of the Company's NECA-1 Reports for the calendar years 2012 and 2013, that, as of the date of the report, the Company has reported as the basis for support from the federal high-cost fund.

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

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.² 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 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 the rates for such services in urban areas.

Report 3: WAC 480-123-070(4): The Company reports that during the calendar year 2013, the Company did not receive from the Consumer Protection Division of the Office of the Attorney General of the State of Washington any complaints against the Company made by the Company's customers. The Company did receive three call completion complaints from its customers that were filed with Federal Communication Commission in the calendar year 2013. The Company has no control with regards to call completion issues in its serving area and is not the carrier at fault or causing the call completion problem. This is a nationwide industry issue that has not been resolved.

¹ It is the Company's understanding that it is not required to submit the reports described in WAC 480-123-070(2) and (3).

² The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

Report 4: WAC 480-123-080(1)(b): The Company reports as follows:

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, 2014, through December 31, 2014, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2013, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials. The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company's investment plans directly affecting federal high-cost supported services offered by it in its designated ETC service area do not include a major construction project at the present time. The Company expects that it will have similar level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2013.

Report 5: WAC 480-123-080(1)(a) and WAC 480-123-080(2): The Company reports as follows:

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, 2015, through December 31, 2015, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2013, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials. The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company's investment plans directly affecting federal high-cost supported services offered by it in its designated ETC service area do not include a major construction project at the present time. The Company's budgeted 2015 investment and expenses are expected to be relatively the same as those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that the continued receipt of federal high-cost support will aide the Company's efforts to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas. However, the Company projects that with reductions in intercarrier compensation and associated federal support, those efforts will need to be supplemented by support from the state universal service fund for the Company to be able to continue to maintain reasonably comparable rates. All customers in the Company's designated ETC service area will benefit from the expected level of support and other factors, such as support from the state fund, continuing to aide efforts to have available to the customer 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.