

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, 2015

St. John Telephone, Inc. (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 2014 as follows:

For 2014 the Company's gross capital expenditures were \$[REDACTED]. The Company's 2014 operating expenses were \$[REDACTED]. The Company's 2014 loan payments were \$[REDACTED].

The Company has completed a fiber-to-the-home project in the recent years. This project enabled the provisioning of improved telecommunications and broadband services to the customers. A significant portion of the operating expenses in 2014, were to repay a portion of the loan that funded the fiber-to-the-home project. In addition in 2014, the Company purchased an improvement to its billing software which will improve communications with the customers.

Per the direction of Commission Staff, the NECA -1 report for the calendar years 2013 and 2014 are included in this filing.

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 (as noted above) 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.

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

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

None

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 planned investment and expenses related to Washington State for the period January 1, 2015, through December 31, 2015, are projected to be \$ [REDACTED] for gross capital expenditures, \$ [REDACTED] for operating expenses and \$ [REDACTED] for repayment of loan funds that were used in previous year to complete the fiber-to-the-home project. Major projects were disclosed on FCC Form 481 filed with the Commission on June 30, 2014 in Docket No.UT-143013 which contains the Company's five year plan. The FCC Form 481 filed this year contains the January 1 to June 30, 2015 financial progress report. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2014, 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, 2016, through December 31, 2016, will remain relatively the same as those it experienced in calendar year 2014, 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. Major projects are disclosed on FCC Form 481 as referenced in Report 6, above. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2016. 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.



Applies to Period:	Year End 12/2013	Reg: 6	WESTERN	Subset 3
Contact Name:	Gregory W. Morasch	MSM: 020007494	Melody Crane	
Contact Phone:	(509)-648-3322 Ext:	OO: *****		
Release Status:	Released	Co: 000002442	St. John Telephone, Inc.	
Soft Edit Status:	Failed Edit	SAR: 522442	ST. JOHN TEL.	

Description	Latest View
060 Total Loops	
070 Cat. 1.3 Loops	
160 Account 2001	
170 Account 1220	
190 Account 3100	
195 Account 3400	
210 Account 4340	
220 Net Plant Investment	
230 Account 2210	
235 Account 2220	
240 Account 2230	
245 Total Central Office	
250 Ckt Equip Cat 4.13	
255 Account 2410	
260 Account 3100 (2210)	
265 Account 3100 (2220)	
270 Account 3100 (2230)	
275 Account 3100 (2210-2230)	
280 Account 3100 (2410)	
310 Account 4340 (2210)	
315 Account 4340 (2220)	
320 Account 4340 (2230)	
325 Account 4340 (2210-2230)	
330 Account 4340 (2410)	
335 Account 6110 Total	
340 Account 6110 Benefits	
345 Account 6110 Rents	
350 Account 6120 Total	
355 Account 6120 Benefits	
360 Account 6120 Rents	
365 Account 6210 Total	
370 Account 6210 Benefits	
375 Account 6210 Rents	
380 Account 6220 Total	
385 Account 6220 Benefits	
390 Account 6220 Rents	
395 Account 6230 Total	
400 Account 6230 Benefits	
405 Account 6230 Rents	
410 Account 6210-6230	
430 Account 6410 Total	
435 Account 6410 Benefits	
440 Account 6410 Rents	
445 Total Plant Specific	
450 Account 6530 Total	
455 Account 6530 Benefits	
510 Account 6560 (2210)	
515 Account 6560 (2220)	
520 Account 6560 (2230)	

REDACTED



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Description	Latest View
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525 Account 6560 (2210-2230)	
530 Account 6560 (2410)	
535 Account 6710 Total	
540 Account 6710 Benefits	
550 Account 6720 Total	
555 Account 6720 Benefits	
565 Sum of Lines 535 + 550	
600 Ben. Por. of all Op. Exp.	
610 Rent Por. of all Op. Exp.	
650 Account 7200 Other Taxes	
700 2410 (C S Total CWF - AV)	
710 2410 (C S CWF - Cat.1)	
800 Account 2680 Total	
805 Account 2680 (2230)	
810 Account 2680 (Cat. 4.13)	
815 Acc 2680 (2410) Total CWF	
820 Acc 2680 (2410)CWF-Cat1	
830 Account 6560 (2680)	

Comments:

Date: 12/16/2014 Adjustment Type: NECA Initiated

- 1. Revised per USF reconciliation



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060 Total Loops		EC
070 Cat. 1.3 Loops		EC
160 Account 2001		EC
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190 Account 3100		EC
195 Account 3400		EC
210 Account 4340		EC
220 Net Plant Investment		EC
230 Account 2210		EC
235 Account 2220		EC
240 Account 2230		EC
245 Total Central Office		EC
250 Ckt Equip Cat 4.13		EC
255 Account 2410		EC
260 Account 3100 (2210)		EC
265 Account 3100 (2220)		EC
270 Account 3100 (2230)		EC
275 Account 3100 (2210-2230)		EC
280 Account 3100 (2410)		EC
310 Account 4340 (2210)		EC
315 Account 4340 (2220)		EC
320 Account 4340 (2230)		EC
325 Account 4340 (2210-2230)		EC
330 Account 4340 (2410)		EC
335 Account 6110 Total		EC
340 Account 6110 Benefits		EC
345 Account 6110 Rents		EC
350 Account 6120 Total		EC
355 Account 6120 Benefits		EC
360 Account 6120 Rents		EC
365 Account 6210 Total		EC
370 Account 6210 Benefits		EC
375 Account 6210 Rents		EC
380 Account 6220 Total		EC
385 Account 6220 Benefits		EC
390 Account 6220 Rents		EC
395 Account 6230 Total		EC
400 Account 6230 Benefits		EC
405 Account 6230 Rents		EC
410 Account 6210-6230		EC
430 Account 6410 Total		EC
435 Account 6410 Benefits		EC
440 Account 6410 Rents		EC
445 Total Plant Specific		EC
450 Account 6530 Total		EC
455 Account 6530 Benefits		EC
510 Account 6560 (2210)		EC
515 Account 6560 (2220)		EC
520 Account 6560 (2230)		EC

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610 Rent Por. of all Op. Exp.		EC
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710 2410 (C S CWF - Cat.1)		EC
800 Account 2680 Total		EC
805 Account 2680 (2230)		EC
810 Account 2680 (Cat. 4.13)		EC
815 Acc 2680 (2410) Total CWF		EC
820 Acc 2680 (2410)CWF-Cat1		EC
830 Account 6560 (2680)		EC

Comments:

Date: 6/18/2015

- Line 700 Average Cable & Wire Facilities of [REDACTED] is higher than line 255 yearend Cable & Wire Facilities of [REDACTED] by [REDACTED] due to prior year balance of Cable & Wire Facilities being higher then current year in the amount of [REDACTED]