



Cable TV - Voice - Broadband - Computer Repair

June 26, 2015

Mr. Steven V. 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:

Pursuant to WAC 480-123-060, Hood Canal Telephone Co., Inc. ("Company") hereby requests that the Washington Utilities and Transportation Commission certify that the Company has met the requirements of 47 C.F.R. §54.314 for eligibility for continued receipt of federal high-cost funds.

The certifications and reports that are specified in WAC 480-123-060, WAC 480-123-070 and WAC 480-123-080 are attached and will be filed electronically. Report 1 data provided by the National Exchange Carrier Association being used for this filing does not have a native format available, therefore only a pdf copy is being submitted.

For the Commission's information, in addition to the Lifeline advertisement covered in the enclosed certification, the Company runs an advertisement on our local television channel continuously, posts Lifeline/WTAP information in both the Union and Shelton offices, distributes Lifeline/WTAP information flyers when door tagging new customers, and posts Tribal Lifeline information at the tribal center and in tribal newsletters.

Sincerely,

A handwritten signature in blue ink that reads "Richard Buechel".

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 the Company in 2014 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 2014 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 2014 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 2014 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 22nd day of June 2015, at Union, Washington.

Company: Hood Canal Telephone Co., Inc.

By: Richard Buechel

Richard Buechel

Its: President



USF1010 LATEST VIEW REPORT

Applies to Period:	Year End 12/2013	Reg: 6	WESTERN	Subset 3
Contact Name:	Jennifer Goos	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-898-5366 Ext:	OO: *****		
Release Status:	Released	Co: 000002419	Hood Canal Tel. Co.	
Soft Edit Status:	Passed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Latest View
060 Total Loops	913
070 Cat. 1.3 Loops	911
160 Account 2001	6,152,122
170 Account 1220	38,793
190 Account 3100	5,439,422
195 Account 3400	0
210 Account 4340	101,608
220 Net Plant Investment	649,885
230 Account 2210	813,162
235 Account 2220	0
240 Account 2230	1,183,617
245 Total Central Office	1,996,779
250 Ckt Equip Cat 4.13	735,773
255 Account 2410	3,083,942
260 Account 3100 (2210)	776,880
265 Account 3100 (2220)	0
270 Account 3100 (2230)	1,104,622
275 Account 3100 (2210-2230)	1,881,502
280 Account 3100 (2410)	2,758,351
310 Account 4340 (2210)	41,809
315 Account 4340 (2220)	0
320 Account 4340 (2230)	12,049
325 Account 4340 (2210-2230)	53,858
330 Account 4340 (2410)	41,069
335 Account 6110 Total	240,170
340 Account 6110 Benefits	27,247
345 Account 6110 Rents	116,329
350 Account 6120 Total	242,830
355 Account 6120 Benefits	25,585
360 Account 6120 Rents	85,988
365 Account 6210 Total	147,016
370 Account 6210 Benefits	14,677
375 Account 6210 Rents	2,317
380 Account 6220 Total	0
385 Account 6220 Benefits	0
390 Account 6220 Rents	0
395 Account 6230 Total	160,156
400 Account 6230 Benefits	37,161
405 Account 6230 Rents	7,599
410 Account 6210-6230	307,172
430 Account 6410 Total	135,716
435 Account 6410 Benefits	33,269
440 Account 6410 Rents	6,163
445 Total Plant Specific	925,888
450 Account 6530 Total	156,399
455 Account 6530 Benefits	39,411
510 Account 6560 (2210)	62,725
515 Account 6560 (2220)	0
520 Account 6560 (2230)	44,299



USF1010 LATEST VIEW REPORT

Applies to Period:	Year End 12/2013	Reg: 6	WESTERN	Subset 3
Contact Name:	Jennifer Goos	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-898-5366 Ext.	OO: *****		
Release Status:	Released	Co: 000002419	Hood Canal Tel. Co.	
Soft Edit Status:	Passed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Latest View
525 Account 6560 (2210-2230)	107,024
530 Account 6560 (2410)	27,487
535 Account 6710 Total	287,210
540 Account 6710 Benefits	72,514
550 Account 6720 Total	378,122
555 Account 6720 Benefits	41,841
565 Sum of Lines 535 + 550	665,332
600 Ben. Por. of all Op. Exp.	380,569
610 Rent Por. of all Op. Exp.	218,396
650 Account 7200 Other Taxes	34,366
700 2410 (C S Total CWF - AV)	3,053,064
710 2410 (C S CWF - Cat.1)	2,862,364
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

Comments:

Date: 12/18/2014 Adjustment Type: NECA Initiated

1. Revised per USF reconciliation



USF1010 PENDING VIEW REPORT

Applies to Period:	Year End 12/2014	Reg: 6	WESTERN	Subset 3
Contact Name:	Jennifer Goos	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-898-5366 Ext:	OO: *****		
Release Status:	Special Released	Co: 000002419	Hood Canal Tel. Co.	
Soft Edit Status:	Failed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Pending View	Source
060 Total Loops	851	EC
070 Cat. 1.3 Loops	849	EC
160 Account 2001	6,464,995	EC
170 Account 1220	150,988	EC
190 Account 3100	5,637,156	EC
195 Account 3400	0	EC
210 Account 4340	103,757	EC
220 Net Plant Investment	875,070	EC
230 Account 2210	801,386	EC
235 Account 2220	0	EC
240 Account 2230	1,204,116	EC
245 Total Central Office	2,005,502	EC
250 Ckt Equip Cat 4.13	752,894	EC
255 Account 2410	3,131,104	EC
260 Account 3100 (2210)	801,386	EC
265 Account 3100 (2220)	0	EC
270 Account 3100 (2230)	1,204,116	EC
275 Account 3100 (2210-2230)	2,005,502	EC
280 Account 3100 (2410)	2,820,491	EC
310 Account 4340 (2210)	45,730	EC
315 Account 4340 (2220)	0	EC
320 Account 4340 (2230)	-3,793	EC
325 Account 4340 (2210-2230)	41,937	EC
330 Account 4340 (2410)	50,100	EC
335 Account 6110 Total	267,263	EC
340 Account 6110 Benefits	30,127	EC
345 Account 6110 Rents	60,872	EC
350 Account 6120 Total	265,204	EC
355 Account 6120 Benefits	23,954	EC
360 Account 6120 Rents	77,609	EC
365 Account 6210 Total	115,918	EC
370 Account 6210 Benefits	11,574	EC
375 Account 6210 Rents	961	EC
380 Account 6220 Total	0	EC
385 Account 6220 Benefits	0	EC
390 Account 6220 Rents	0	EC
395 Account 6230 Total	160,693	EC
400 Account 6230 Benefits	37,654	EC
405 Account 6230 Rents	3,290	EC
410 Account 6210-6230	276,611	EC
430 Account 6410 Total	139,693	EC
435 Account 6410 Benefits	23,594	EC
440 Account 6410 Rents	3,132	EC
445 Total Plant Specific	948,771	EC
450 Account 6530 Total	118,291	EC
455 Account 6530 Benefits	31,172	EC
510 Account 6560 (2210)	50,236	EC
515 Account 6560 (2220)	0	EC
520 Account 6560 (2230)	92,774	EC



USF1010 PENDING VIEW REPORT

Applies to Period:	Year End 12/2014	Reg: 6	WESTERN	Subset 3
Contact Name:	Jennifer Goos	MSM: 020007494	Melody Crane	
Contact Phone:	(360)-898-5366 Ext:	OO: *****		
Release Status:	Special Released	Co: 000002419	Hood Canal Tel. Co.	
Soft Edit Status:	Failed Edit	SAR: 522419	HOOD CANAL TEL CO	

Description	Pending View	Source
525 Account 6560 (2210-2230)	143,010	EC
530 Account 6560 (2410)	62,139	EC
535 Account 6710 Total	254,681	EC
540 Account 6710 Benefits	56,078	EC
550 Account 6720 Total	419,781	EC
555 Account 6720 Benefits	45,292	EC
565 Sum of Lines 535 + 550	674,462	EC
600 Ben. Por. of all Op. Exp.	333,811	EC
610 Rent Por. of all Op. Exp.	145,864	EC
650 Account 7200 Other Taxes	27,264	EC
700 2410 (C S Total CWF - AV)	3,107,522	EC
710 2410 (C S CWF - Cat. 1)	2,928,237	EC
800 Account 2680 Total	0	EC
805 Account 2680 (2230)	0	EC
810 Account 2680 (Cat. 4.13)	0	EC
815 Acc 2680 (2410) Total CWF	0	EC
820 Acc 2680 (2410)CWF-Cat1	0	EC
830 Account 6560 (2680)	0	EC

Comments:

Date: 6/18/2015

1. Line 320 - Deferred federal income taxes is calculated as a debit amount between tax and booked depreciation.

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

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: 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 \$800,123. The Company's 2014 operating expenses were \$2,564,609. Recent major projects included a major remodeling of the plant and construction personnel area for the approximate amount of \$330,000 and purchasing vehicles in the approximate amount of \$315,000.

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. The Company did a small fiber-to-the-home project in 2014 in the amount of \$31,250 that will potentially benefit 10 subscribers in their study area. The Company plans to continue to install fiber-to-the-home throughout its study area in the coming years.

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 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 \$350,000 for gross capital expenditures and \$2,312,700 for operating expenses. Major projects are 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.