



525 Junction Rd.
Madison, WI 53717

July 11, 2017

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

Re: 2017 ETC Certification – Correction to ETC Annual Report
Request for Certification Pursuant to WAC 480-123-060, 070 and 080
Docket UT-170787

Dear Mr. King:

Pursuant to WAC 480-123-060, 070 and 080 **Lewis River Telephone Company**, d/b/a TDS Telecom (“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 enclosed.

The Company is resubmitting the ETC Annual Report to correct a typo on Report 4. The attached report has been revised and should replace the original report filed on July 6, 2017. The Company respectfully requests the Commission accept this report as filed.

Please contact Gail Long at (541) 516-8210 or me at the number listed below if you have any questions regarding this filing.

Sincerely,

A handwritten signature in black ink that reads "Bruce Schiefelbein".

Bruce Schiefelbein
Manager – Regulatory Compliance
TDS Telecom
(608) 664-5455

Enclosures

cc: Gail Long

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, 2017

Lewis River Telephone Company (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 2016 as follows:

The Company received \$674,422 in Federal USF support in 2016. Most of the support was used to help cover operating expenses necessary to maintain the Company's network in order to continue providing high quality voice and broadband services. As discussed below, some of the support was used for network capital additions.

For 2016 the Company's gross capital expenditures were \$237,362. The Company's 2016 operating expenses were \$3,619,622. Recent major projects include:

- Amboy – Line Extension for new service on Hwy 503	\$6,475
- Amboy – Line Extension on Rotschy Rd to serve 3 lots	\$2,872
- Amboy – Buried Drop Additions	\$16,841
- Amboy – Install Managed IP Equipment	\$2,002
- La Center – Install Facilities to Danaheights Subdivision – 14 Lots	\$12,949
- La Center – Road Move East 7 th Street	\$5,631
- La Center – Install Sandvine IP Traffic Management Equipment	\$7,133
- La Center – DSA 41600 Capacity Augment	\$11,113
- La Center – Enable Class 5 Routing and Features on Measwitch	\$3,976
- La Center – Line Extension on NW Bratton Road	\$6,835
- La Center – Road Bore to replace bad section of cable – 389 th Rd.	\$8,349
- La Center – Install Facilities for 9 Lots – Engelstad Subdivision	\$6,006
- La Center – Line Extension for new service – 21 st Avenue	\$11,885
- La Center – Line Extension for new service – 399 th – 2 Lots	\$7,340
- La Center – Extend Facilities for 5 Lot Subdivision – Oldstedt Rd.	\$5,448
- La Center – Line Extension – 15408 NE Grantham Rd.	\$4,597
- La Center – Upgrade svc for Ameritek medical bldg. from 3 to 6 m	\$14,425
- La Center – Reinforce cable facility for new service on 339 th	\$20,393
- La Center – Buried Drop Additions	\$55,780
- La Center – DSL and non-DSL Card Additions	\$5,995
- La Center – Routine Field Service Closures and Circuits	\$4,546
- La Center – Calnet for Metaswitch	\$4,204
- Yale – Replace Batteries	\$9,793
- Yale – Buried Drop Additions	<u>\$1,485</u>
Total	\$236,073

Per the direction of Commission Staff, the NECA -1 report will be provided as soon as it is available and no later than August 1, 2017.

2. Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses reported under Report 1, above, benefited the customers by maintaining and expanding the network to continue providing high quality telecommunications and broadband services. The funds received from the universal service communications program contributed to the Company's ability to complete those projects. The support has also allowed the company to sustain the current local technical support staff therefore avoiding delayed repairs and maintenance.

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.
See also the responses to Report 1.

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

Outages are listed on the report labeled (200) Service Outage Reporting (Voice) of Form 481.

4. Report 4: Report on Failure to Provide Service: WAC 480-123-070(3):

The Company had no unfulfilled voice service requests and twenty three unfulfilled broadband requests (see lines 300 and 320 on page 1 of Form 481).

5. Report 5: Report on Complaints per 1000 Connections: WAC 480-123-070(4):

The Company reports that it is aware of 0.0 voice service complaints per 1,000 customers in calendar year 2016 and 3.35 broadband service quality complaints per 1,000 customers made to the Washington Attorney General's Office (9 complaints) and the Federal Communications Commission (3 complaints) concerning the services provided to its customers by the Company that are either subject to the regulatory jurisdiction of the

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

Washington Utilities and Transportation Commission or among the services supported by the federal high-cost fund. (lines 410 and 440 on page 1 of Form 481).

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, 2018, through December 31, 2018 will include the estimated capital investment relating to projects opened in 2017 to improve broadband speeds relating to phase 1 of ACAM commitments that will be carried over into 2018. These projects are still in engineering with construction planned to begin in the 3rd or 4th quarter 2017 and will continue into 2018. The early estimated cost of phase 1 is \$160,000. The estimated operating expenses for 2018 are \$3,250,000. Major projects completed in 2016 are disclosed in Report 1 above. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2016, 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, 2018, through December 31, 2018, will remain relatively the same as those it experienced in calendar year 2016, 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 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.