

ETC ANNUAL REPORTS PER WAC 480-123-070 AND WAC 480-123-080

July 1, 2019

Western Wahkiakum County Telephone Company

Western Wahkiakum County 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 the calendar year 2018 as follows: To support investments made by the Company in telecommunications plant used to provide voice services, broadband services and other telecommunications services, and to defray operating expenses incurred by the Company in its provision of those services.

In the calendar year 2018, the Company's gross capital expenditures and operating expenses paid, in whole or in part, with support from the federal high-cost fund were \$424,234 and \$3,162,268, respectively.¹

Major projects undertaken or completed in the calendar year 2018 include the following:

- (1) Purchase and installation of Calix network routing and transmission equipment to serve both the Naselle and Grays River Exchanges. The cost was approximately \$265,172, and as a result thereof, service reliability and capacity were enhanced for approximately 2,345 people.
- (2) Construction and relocation of buried fiber optic cable for a major Pacific County road redesign/rebuild in the Naselle Exchange. The cost was approximately \$44,588, and, as a result thereof, service reliability and capacity were enhanced for approximately 282 people.
- (3) Field work, construction, testing, verification and lighting of buried fiber optic cable in preparation of customer cutover from copper to fiber in the Naselle and Grays River Exchanges. The cost was approximately \$14,788, and, as result thereof, service reliability and capacity were enhanced for approximately 171 people.
- (4) New construction to serve new locations in the Naselle Exchange. Work included 3,900 feet of plowable conduit and 3,600 feet of buried fiber optic cable. The cost

¹ The amounts shown in this sentence are prior to Part 64 adjustments, if any.

was approximately \$14,138, and, as a result thereof, and service reliability and capacity were enhanced for approximately 19 people.

- (5) New construction to serve new locations in the Grays River Exchange. Work included 560 feet of plowable conduit and 600 feet of buried fiber optic cable. The cost was approximately \$2,331, and, as a result thereof, service reliability and capacity were enhanced for approximately 5 people.
- (6) Optical network terminal (ONT) installation and activation and cutover of service from copper to fiber for customers in the Naselle and Grays River Exchanges. The cost was approximately \$36,392, and, as a result thereof, service reliability and capacity were enhanced for approximately 171 people.
- (7) Purchase of Calix support for routing and transmission equipment to improve quality and reliability of the Company's network. This support will ultimately benefit approximately 2,345 people in the Naselle and Grays River Exchanges. The cost was approximately \$4,316.
- (8) Purchase of Ribbon/Genband support for central office C-15 software switch to improve quality and reliability of the Company's network. This support will ultimately serve benefit approximately 2,345 people in the Naselle and Grays River Exchanges. The cost was approximately \$24,657.
- (9) Purchase of Fujitsu support for routing and transmission equipment to improve quality and reliability of the Company's network. This support will ultimately benefit approximately 2,345 people in the Naselle and Grays River Exchanges. The cost was approximately \$13,450.
- (10) Purchase of Tellabs 8800 support for routing and transmission equipment to improve quality and reliability of the Company's network. This support will ultimately benefit approximately 2,345 people in the Naselle and Grays River Exchanges. The cost was approximately \$8,830.

Attached are copies of the Company's NECA-1 Report² for the calendar year 2017 and the Pending View Report for the calendar year 2018.

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

² The Company understands the reference to the "NECA-1 report" to refer to the values reported by the Company in response to the National Exchange Carrier Association, Inc. Universal Service Data Collection Form or its on-line equivalent pertaining to the subject year.

Consumers served by the Company, as well as those consumers of other telecommunications service providers who may have communicated with the Company's customers utilizing telecommunications services provided by the Company, benefited from the use of high-cost fund support by continuing to receive high quality telecommunications services. Direct benefits within the Company's service area of specific projects are detailed in Report 1 above.

Through the expenditure of the federal high-cost support 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.³ 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.

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

On the morning of Saturday March 3, 2018, at approximately 4:00 am, Pacific Time, service was lost for all Company transmission facilities connecting with CenturyLink, which included, for all customers seeking to utilize those services, 911 access, long distance services and special access circuits connecting to points outside the Company's service area. The outage was discovered by our weekend, on-call person at approximately 10:00 am, Pacific Time. Upon investigation of the outage it was determined that there was an equipment malfunction at the Company's West Naselle remote office. By physical examination of the Company's facilities at the West Naselle site, it was determined that certain OC12 and OC48 equipment was not functioning. It was discovered that the full fan tray with multiple fans was not operating, causing the equipment to overheat and crash without the ability to recover. After manually working to cool the equipment, service was restored at approximately 11:40 am, Pacific Time. Once service was restored, the fan tray was replaced with a spare unit to keep the equipment adequately cooled and service maintained. After restoration of service, the Company confirmed that it has on hand and available for use additional fan trays..

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

³ The term "ETC" is used herein with the same meaning as the term is used in Chapter 480-123 WAC.

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 Company's planned gross capital expenditures and operating expenses to be made or defrayed, in whole or in part, with federal high-cost support to be received by the Company during the coming calendar year (*i.e.*, 2020) are projected to be approximately \$244,000 and \$2,800,000, respectively.

Major projects planned to be undertaken or completed in the calendar year 2020 include the following:

- (1) Field work, construction, testing, verification and lighting of buried fiber optic cable in preparation of customer cutover from copper to fiber in the Naselle and Grays River Exchanges. The cost of this project is estimated to be approximately \$15,000, and it is intended to enhance service reliability and capacity for approximately 171 people.
- (2) New construction to serve new locations in the Naselle and Grays River Exchanges. The cost of this project is estimated to be approximately \$16,000, and it is intended to enhance service reliability and capacity for approximately 24 people.
- (3) Optical network terminal (ONT) installation and activation and cutover of service to from copper to fiber for customers in the Naselle and Grays River Exchanges. The cost of this project is estimated to be approximately \$36,000, and it is intended to enhance service reliability and capacity for approximately 171 people.
- (4) Purchase of Calix support for routing and transmission equipment to improve quality and reliability of the Company's network. This support is intended ultimately to benefit approximately 2,345 people in the Naselle and Grays River Exchanges. The cost is estimated to be approximately \$4,500.
- (5) Purchase of Ribbon/Genband support for central office C-15 software switch to improve quality and reliability of the Company's network. This support is intended ultimately to benefit approximately 2,345 people in the Naselle and Grays River Exchanges. The cost is estimated to be approximately \$25,000.
- (6) Purchase of Fujitsu support for routing and transmission equipment to improve quality and reliability of the Company's network. This support is intended ultimately

to benefit approximately 2,345 people in the Naselle and Grays River Exchanges. The cost is estimated to be approximately \$13,500.

- (7) Purchase of Tellabs 8800 support for routing and transmission equipment to improve quality and reliability of the Company's network. This support is intended ultimately to benefit approximately 2,345 people in the Naselle and Grays River Exchanges. The cost is estimated to be approximately \$9,000.
- (8) Construction, including a new, buried fiber optic route south of KM Hill to a radio repeater site in support of Wahkiakum County emergency management. This project will require obtaining rights-of-way, and the Company is awaiting the County's start of work on their site. The project cost is estimated to be approximately \$70,000. This project will serve Wahkiakum County emergency management, enabling or enhancing radio coverage of the westerly end of Wahkiakum County. This project is expected to facilitate improved emergency service for substantial portions of the Grays River Exchange (and possibly a portion of the Naselle exchange).
- (9) Construction and relocation of aerial facilities (both fiber optic and copper) on Altoona Pillar Rock Road to accommodate Wahkiakum County's replacement of a large fish culvert. The County has identified this project, but has not yet indicated they are ready to proceed. The project cost is estimated to be approximately \$25,000, and the project is expected to improve service reliability for approximately 237 people in the Grays River Exchange.
- (10) Construction and relocation of buried facilities (both fiber optic and copper) on State Route 4, in the vicinity of the Hull Creek crossing, to accommodate a potential Washington State Department of Transportation project. The Company's project cost is estimated to be approximately \$20,000, and the Company's project is expected to improve service reliability for approximately 288 people in the Grays River Exchange.
- (11) Construction and relocation of buried facilities (both fiber optic and copper) on State Route 401, to accommodate a replacement fish culvert. The Company's project cost is estimated to be approximately \$10,000, and the Company's project is expected to improve service reliability for approximately 910 people in the Naselle Exchange.

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, apart from major projects, the planned investment and expenditures to be made with federal high-cost support related to Washington state for the calendar year 2020, are planned to remain relatively the same as those the Company experienced in calendar year 2018, 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. Planned major projects are as described or referenced in Report 6, above. The Company has not completed its budgeting process for the calendar year 2020, so the investment and expense figures presented in Report 6, above, for calendar year 2020 are not yet final and may be affected by changes in federal high-cost support. The Company anticipates 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. Moreover, the major projects identified in Report 6, above, are expected to benefit customers as there described.



USF1010 PENDING VIEW REPORT

Applies to Period:	Year End 12/2018	Reg:	6	WESTERN	Subset 3
Contact Name:	Carol Larson	MSM:	000032940	Mark Novy	
Contact Phone:	(360)-465-2211 Ext:	OO:	*****		
Release Status:	Released	Co:	000002451	Western Wahkiakum County Tel. Co.	
Soft Edit Status:	Failed Edit	SAR:	522451	WESTERN WAHAKIAKUM	

Description	Pending View	Source
060 Total Loops	1,064	EC
070 Cat. 1.3 Loops	1,058	EC
090 CBO Loops	0	EC
160 Account 2001	21,383,199	EC
170 Account 1220	223,445	EC
190 Account 3100	14,322,866	EC
195 Account 3400	0	EC
210 Account 4340	1,667,950	EC
220 Net Plant Investment	5,615,828	EC
230 Account 2210	788,075	EC
235 Account 2220	0	EC
240 Account 2230	2,831,514	EC
245 Total Central Office	3,619,589	EC
250 Ckt Equip Cat 4.13	2,149,353	EC
255 Account 2410	16,196,581	EC
260 Account 3100 (2210)	788,075	EC
265 Account 3100 (2220)	0	EC
270 Account 3100 (2230)	2,716,409	EC
275 Account 3100 (2210-2230)	3,504,484	EC
280 Account 3100 (2410)	9,344,080	EC
310 Account 4340 (2210)	99,860	EC
315 Account 4340 (2220)	0	EC
320 Account 4340 (2230)	-2,341	EC
325 Account 4340 (2210-2230)	97,519	EC
330 Account 4340 (2410)	1,616,672	EC
335 Account 6110 Total	37,888	EC
340 Account 6110 Benefits	2,936	EC
345 Account 6110 Rents	0	EC
350 Account 6120 Total	82,169	EC
355 Account 6120 Benefits	20,689	EC
360 Account 6120 Rents	0	EC
365 Account 6210 Total	111,385	EC
370 Account 6210 Benefits	28,144	EC
375 Account 6210 Rents	0	EC
380 Account 6220 Total	0	EC
385 Account 6220 Benefits	0	EC
390 Account 6220 Rents	0	EC
395 Account 6230 Total	260,106	EC
400 Account 6230 Benefits	57,338	EC
405 Account 6230 Rents	0	EC
410 Account 6210-6230	371,491	EC
430 Account 6410 Total	166,812	EC
435 Account 6410 Benefits	73,847	EC
440 Account 6410 Rents	935	EC
445 Total Plant Specific	658,360	EC
450 Account 6530 Total	468,968	EC
455 Account 6530 Benefits	208,637	EC
510 Account 6560 (2210)	35,570	EC
515 Account 6560 (2220)	0	EC



USF1010 PENDING VIEW REPORT

Applies to Period:	Year End 12/2018	Reg: 6	WESTERN	Subset 3
Contact Name:	Carol Larson	MSM: 000032940	Mark Novy	
Contact Phone:	(360)-465-2211 Ext:	OO: *****		
Release Status:	Released	Co: 000002451	Western Wahkiakum County Tel. Co.	
Soft Edit Status:	Failed Edit	SAR: 522451	WESTERN WAHAKIACUM	

Description	Pending View	Source
520 Account 6560 (2230)	298,146	EC
525 Account 6560 (2210-2230)	333,716	EC
530 Account 6560 (2410)	565,719	EC
535 Account 6710 Total	0	EC
540 Account 6710 Benefits	0	EC
550 Account 6720 Total	856,794	EC
555 Account 6720 Benefits	260,353	EC
565 Sum of Lines 535 + 550	856,794	EC
600 Ben. Por. of all Op. Exp.	712,811	EC
610 Rent Por. of all Op. Exp.	935	EC
650 Account 7200 Other Taxes	124,149	EC
700 Account 2410 (CWF)	16,196,581	EC
710 Account 2410 (CWF-Cat.1)	15,564,790	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
850 Account 6310	0	EC
860 Account 6510	0	EC
870 Account 6610	11,545	EC
880 Account 6620	175,908	EC

Comments:

Date: 6/19/2019

1. Line 320 - Tax to Book difference is negative



USF1010 LATEST VIEW REPORT

Applies to Period:	Year End 12/2017	Reg: 6	WESTERN	Subset 3
Contact Name:	Carol Larson	MSM: 000032940	Mark Novy	
Contact Phone:	(360)-465-2211 Ext:	OO: *****		
Release Status:	Released	Co: 000002451	Western Wahkiakum County Tel. Co.	
Soft Edit Status:	Failed Edit	SAR: 522451	WESTERN WAHKIAKUM	

Description	Latest View
060 Total Loops	1,060
070 Cat. 1.3 Loops	1,054
090 CBO Loops	0
160 Account 2001	20,999,404
170 Account 1220	265,933
190 Account 3100	13,424,424
195 Account 3400	0
210 Account 4340	1,755,061
220 Net Plant Investment	6,085,852
230 Account 2210	796,394
235 Account 2220	0
240 Account 2230	2,523,886
245 Total Central Office	3,320,280
250 Ckt Equip Cat 4.13	1,973,481
255 Account 2410	16,109,633
260 Account 3100 (2210)	760,418
265 Account 3100 (2220)	0
270 Account 3100 (2230)	2,429,097
275 Account 3100 (2210-2230)	3,189,515
280 Account 3100 (2410)	8,783,371
310 Account 4340 (2210)	88,842
315 Account 4340 (2220)	0
320 Account 4340 (2230)	-1,720
325 Account 4340 (2210-2230)	87,122
330 Account 4340 (2410)	1,712,569
335 Account 6110 Total	23,447
340 Account 6110 Benefits	2,934
345 Account 6110 Rents	0
350 Account 6120 Total	83,771
355 Account 6120 Benefits	20,502
360 Account 6120 Rents	0
365 Account 6210 Total	100,683
370 Account 6210 Benefits	20,607
375 Account 6210 Rents	0
380 Account 6220 Total	0
385 Account 6220 Benefits	0
390 Account 6220 Rents	0
395 Account 6230 Total	151,873
400 Account 6230 Benefits	54,037
405 Account 6230 Rents	0
410 Account 6210-6230	252,556
430 Account 6410 Total	173,529
435 Account 6410 Benefits	70,197
440 Account 6410 Rents	935
445 Total Plant Specific	533,303
450 Account 6530 Total	437,216
455 Account 6530 Benefits	188,730
510 Account 6560 (2210)	104,676
515 Account 6560 (2220)	0



USF1010 LATEST VIEW REPORT

Applies to Period:	Year End 12/2017	Reg: 6	WESTERN	Subset 3
Contact Name:	Carol Larson	MSM: 000032940	Mark Novy	
Contact Phone:	(360)-465-2211 Ext:	OO: *****		
Release Status:	Released	Co: 000002451	Western Wahkiakum County Tel. Co.	
Soft Edit Status:	Failed Edit	SAR: 522451	WESTERN WAHKIAKUM	

Description	Latest View
520 Account 6560 (2230)	139,221
525 Account 6560 (2210-2230)	243,897
530 Account 6560 (2410)	559,258
535 Account 6710 Total	0
540 Account 6710 Benefits	0
550 Account 6720 Total	855,094
555 Account 6720 Benefits	257,014
565 Sum of Lines 535 + 550	855,094
600 Ben. Por. of all Op. Exp.	665,781
610 Rent Por. of all Op. Exp.	935
650 Account 7200 Other Taxes	212,052
700 Account 2410 (CWF)	16,109,633
710 Account 2410 (CWF-Cat.1)	15,477,697
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
850 Account 6310	0
860 Account 6510	0
870 Account 6610	11,851
880 Account 6620	154,986

Comments:

Date: 7/9/2018

1. Line 320 - Tax to Book difference is negative