

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080
Contains Certifications Required by WAC 480-123-060 and 480-123-070
July 1, 2022

Westgate Communications LLC (“WeavTel,” “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 2021 to support telecommunications plant used to provide voice services, broadband services, and other telecommunications services, and to support operating expenses incurred by the Company in its provision of those services.

For the calendar year 2021, the Company’s gross capital expenditures, including telecommunications plant under construction, and operating expenses, including federal income taxes, were \$95,737 and \$597,377, respectively.

During the first six months of 2021, the Company undertook and continued three major construction projects. The first project that consisted of building two new KU Band satellite antennas of which one will be located in Stehekin, Washington (“Stehekin”) and one in Holden Village, Washington (“Holden Village”) has been completed. This project allows Westgate to improve its data capacity from 12/3 Mbps to 25/3 Mbps. Additionally, a new Long-Term Evolution (“LTE”) radio site has been engineered, designed and will be completed in mid-July. Westgate will increase its customer base when new LTE radio site is brought online and forecasts this trend will continue for the remainder of 2022. The funds received from the universal communications services program can be viewed as contributing to the Company's ability to perform the projects listed above, including, without limitation, the repayment of RUS loan funds. In the second half of 2022 the Company plans to complete construction of the tower and solar power plant on the bluff overlooking Stehekin. WeavTel will continue to perform installations for new customers that meet the federally mandated 25/3 Mbps speed requirements for broadband service.

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, 2022.

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 as follows:

The customers served by the Company benefited from the use of high-cost fund support by continuing to receive high quality telecommunications and broadband services.

Through the expenditure of 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.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 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)

None. Outages are listed on the report labeled (210) Reportable Voice Service Outages on FCC Form 481. WeavTel reported zero local service outages during 2021.

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

None. The Company had no unfulfilled voice service requests and no unfulfilled broadband requests as identified on lines 300 and 320 of FCC Form 481.

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

None. The Company had no voice or broadband complaints as identified on lines 410 and 440 of FCC 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, 2022, through December 31, 2022, are projected to be \$80,000 for gross capital expenditures and \$600,000 for operating expenses. WeavTel anticipates that it will complete its initial tower in mid-July and will continue purchasing/installing customer premise LTEs at USAC supported sites. Continue engineering and permitting of next tower down lake from Stehekin.

With the exception of additional depreciation expense created by the capital projects the Company anticipates completing in 2022, WeavTel expects the level of expenses will relatively the same as those it experienced in calendar year 2021, subject to the effects of inflation and other commonly experienced changes in the cost of labor, materials and the availability of materials cannot be anticipated. The Company does not anticipate major adjustments in 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 to be made with federal high-cost support related to Washington state for the

calendar year 2023 are planned to remain relatively the same as those it experienced in calendar year 2021, 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.

WeavTel anticipates it will add \$85,000 in telecommunications plant in 2023. This investment will include the construction of a second tower in the Stehekin exchange that will expand and improve the Company's network infrastructure for existing voice and broadband customers. With the completion of this tower, the Company will be able to reach most of the additional locations committed to the WUTC with 25/3 Mbps broadband service speed. In addition, the company will have access to terrestrial back haul over microwave that will greatly increase the broadband speeds that the customers will be able to reasonably purchase.

The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company has not completed its budgeting process for 2023, so the investment and expense figures presented in Report 6 above, for the calendar year 2023 are not yet final. 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.