

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080
Contains Certifications Required by WAC 480-123-060 and 070
June 20, 2024

Asotin 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 USF in 2023 as follows:

For Washington, the Company received \$911,604 in Federal USF support in 2023 which is made up of \$827,574 in ACAM and \$84,030 in ICC-CAF reform support. The support was for broadband investment and 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 2023 the Company's gross capital expenditures were \$181,979. The Company's 2023 regulated operating expenses excluding income taxes were \$1,237,203. Projects that are A-CAM related begin with "CAF." Recent major projects include:

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|---|----------|
| • CAFIO - DSA 13301 (Bogans) Calix 10G OSP | \$5,542 |
| • CAFO - DSA 0133026 Bogans Microwave Relay | \$5,233 |
| • CAFO - DSA 13305 New Microwave Link | \$9,040 |
| • CAP - Madison-Salkum Cluster Metaswitch | \$1,308 |
| • MxU 0132AA Asotin, WA | \$5,088 |
| • NB JT - Zenner Addition Clemans Road - | \$5,577 |
| • Aerial Drop Additions | \$1,345 |
| • Bond Prep – Aerial | \$1,328 |
| • Bond Prep – Buried | \$11,827 |
| • Buried Drop Additions | \$3,885 |
| • Buried Optical Drop | \$49,966 |
| • Non-DSL Card Additions | \$16,111 |
| • Optical Network Terminal | \$4,801 |
| • Asotin Office AC Replacement | \$1,622 |
| • Dynatel Cable Locator - Asotin | \$9,531 |
| • Exfo OX1-Pro Opt Explr - Asotin (1) | \$4,995 |
| • MAN - Cougar Creek Fish Passage Road Move | \$6,370 |
| • VIAVI ONX580-GFAST-PKG ASOTIN | \$5,262 |

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, 2024.

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 Company's serving area is very spread out covering 415 square miles including the bottom of the Grand Ronde Canyon, therefore repair calls for one or two customers can take all day and cost thousands of dollars each. The support has 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 USF 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):

There was one reportable outage in calendar year 2023.

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

The Company had no unfulfilled voice service requests in 2023 and no unfulfilled broadband service request as of year-end 2023.

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

The Company reports that it had no voice service quality complaints per 1,000 customers in calendar year 2023 and no broadband service complaint concerning the services provided to its customers by the Company that are either subject to the regulatory jurisdiction of the Washington Utilities and Transportation Commission or among the services supported by federal USF.

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

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, 2025, through December 31, 2025, will include estimated capital investment relating to E-ACAM projects currently in the design phase and expected to go into 2025. The Company also anticipates a normal level of routine capital expenditures during 2025 relating to items such as buried drops and other projects as needed. The estimated operating expenses for 2025 are \$1,327,000. Major projects completed in 2023 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 2023, 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 local 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 operating expenses related to Washington State for the period January 1, 2025, through December 31, 2025, will remain relatively the same as those it experienced in calendar year 2023, 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 local staffing levels for the relevant period. See also Report 6 for capital expenditures relating to ACAM. The Company expects that the continued receipt of federal USF 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.