

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

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 USF in 2023 as follows:

The Company received \$752,543 in Federal USF support in 2023 which is made up of \$519,167 in ACAM and \$233,376 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 \$694,768. The Company's 2023 operating expenses excluding income taxes were \$3,535,927. Projects that are A-CAM related begin with "CAF." Recent major projects include:

• CAA - Astound Business Solutions 1G PTP	\$2,190
• CAA - Indatel 42218 NW Yale Bridge Rd -	\$12,785
• CAP - 33909 NE Taylor Valley Road -La Center	\$1,087
• CAP - 100G Wave Upgrade LaCenter - Lumen	\$58,137
• CAP - DAS 41602 Additional Capacity	\$11,658
• CAP - LaCenter, WA New Node 0416015	\$73,911
• CAP - NW Bolen St Cable Exhaust	\$4,773
• CAP 0414-CAP-01 PON Amboy WA	\$2,137
• CAP WA DSA 41401 Amboy ISP PON Add	\$66,468
• CAP WA PON NE Fargher Lake HWY	\$8,835
• LE - Fir Road - Ariel WA (EXPEDITED)	\$1,684
• LE - NW 354th St - LaCenter WA	\$3,383
• NB - FTTH Highland Terrace Phase 2 – La Center	\$36,209
• NB JT - NE Fargher Lake Highway - Amboy	\$7,075
• NB JT - Stephans Hillside Estates – La Center	\$81,911
• NB - Stuart Field Road - Yale, WA	\$9,811
• NB JT - Lockwood Meadows - LaCenter, WA	\$1,993
• Bond Prep – Aerial	\$6,911
• Bond Prep – Buried	\$43,218
• Buried Drop Additions	\$71,398
• Buried Optical Drop	\$13,875

• DSL Card Additions	\$1,017
• CSI - DC Plant Replace LaCenter, WA	\$11,667
• CSI - New HVAC 41600 - LaCenter, WA	\$6,693

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 funds received from the universal communications services 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 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 were 4 reportable outages in calendar year 2023.

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

The Company had 2 unfulfilled voice service requests in 2023 and 16 unfulfilled broadband service requests as of year-end 2023. Of those 16 requests, 1 has since been provisioned with the customer's requested speed. The remaining 15 customers have broadband service at speeds lower than requested. Those speeds will be increased when faster speeds become available. The voice request are E-ACAM locations and are currently in TDS engineering where the entire E-ACAM network design work is underway.

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

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

The Company reports that it is aware of 3.8 voice complaints per 1,000 customers in calendar year 2023. Three complaints were made to the FCC- two regarding service quality and one regarding billing. Four complaints were made to Office of Attorney General (OAG) regarding billing and service quality. Seven complaints were made to the WA UTC regarding service quality. The company had 4.4 broadband service quality complaints per 1,000 customers to the FCC. Eleven broadband complaints were to the FCC regarding service quality and two regarding billing. Three complaints were made to Office of Attorney General (OAG) regarding billing and service quality. One complaint was made to the WA UTC regarding service quality.

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 the estimated capital investment relating to projects opened to improve broadband speeds relating to E-ACAM commitments. The estimated operating expenses for 2025 are \$3,535,000. In addition, the Company expects to experience a similar level of routine projects during 2025 relating to buried drops, line extensions, capacity improvements and new developments. 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 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. See also discussion relating to E-ACAM investments in Report 6. The Company does not anticipate major adjustments in local staffing levels for the relevant period. 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.