

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2018

<010> Study Area Code	522419
<015> Study Area Name	HOOD CANAL TEL CO
<020> Program Year	2020
<030> Contact Name: Person USAC should contact with questions about this data	Rick Buechel
<035> Contact Telephone Number: Number of the person identified in data line <030>	3608982481 ext.204
<039> Contact Email Address: Email of the person identified in data line <030>	rbuechel@hcc.net

Form Type	54.313 and 54.422
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(400) Number of Complaints per 1,000 customers  
Data Collection Form

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<039>	Contact Email Address - Email Address of person identified in data line	rbuechel@hcc.net
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	
<410>	Complaints per 1000 customers for fixed voice	
<420>	Complaints per 1000 customers for mobile voice	

**(500) Compliance With Service Quality Standards and Consumer Protection Rules  
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<515>	Certify compliance with applicable minimum service standards	

**(600) Functionality in Emergency Situations  
Data Collection Form**FCC Form 481  
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<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	522419wa610.pdf

**Line 610**  
**Statement Demonstrating Functionality**  
**In Emergency Situations**

At line 600 of FCC Form 481, Hood Canal Telephone Co., Inc. (“Hood Canal”) certified that it is able to function in emergency situations as set forth in 47 C.F.R § 54.202(a)(2). This means that Hood Canal has reasonable amount of back-up power to ensure functionality without an external source, is able to reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergency situations. This statement will detail how Hood Canal is prepared to ensure continued service in an emergency situation.

Hood Canal has battery back-up with a minimum of an eight hour run time for its central office. In addition, it has a back-up generator for the central office and operations center and portable generators available for remote sites.

Hood Canal has route redundancy for long distance service, E-911 trunking and SS7 signaling trunking.

Hood Canal's outside plant is designed, engineered and built with sufficient capacity to handle traffic spikes resulting from emergency situations and has been able to do so in the past. Hood Canal is in an area where severe weather strikes periodically and has been able to handle communication needs at those times and has the experience from those situations to be able handle such emergency situations in the future.

In the case of isolated groups of customers that may suffer damage due to a cable cut, Hood Canal maintains sufficient staff and other resources to be able to put customers back in service in a very short amount of time. Hood Canal's emergency service equipment is located within its exchange and requires very little time to dispatch.



**(900) Tribal Lands Reporting  
Data Collection Form**

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<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(5) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable



**(1000) Voice and Broadband Service Rate Comparability  
Data Collection Form**

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<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance

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Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance

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Name of Attached Document

<b>(1100) No Terrestrial Backhaul Reporting Data Collection Form</b>	<b>FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018</b>
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<1100> Certify whether terrestrial backhaul options exist (Y/N)

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<1140> Alaska Plan rate-of-return certification (yes, no, or not applicable) of compliance with approved performance plan.

<b>(1200) Terms and Condition for Lifeline Customers</b> <b>Lifeline</b> <b>Data Collection Form</b>	<b>FCC Form 481</b> <b>OMB Control No. 3060-0986/OMB Control No. 3060-0819</b> <b>July 2018</b>
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<1210> Terms & Conditions of Voice Telephony Lifeline Plans	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">                     522419wa1210.pdf                 </div> <p style="margin-top: 5px;">Name of Attached Document</p>
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<1220> Link to Public Website	HTTP <a href="https://www.hcc.net/phone/">https://www.hcc.net/phone/</a>
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“Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

**Affidavit of Publication**

STATE OF WASHINGTON }  
COUNTY OF MASON } SS.

**David Pierik**, being first duly sworn on oath deposes and says that he is the **Clerk** of the SHELTON-MASON COUNTY JOURNAL, a weekly newspaper. That said newspaper is a legal newspaper and it is now and has been for more than six months prior to the date of the publication hereinafter referred to, published in the English language continuously as a weekly newspaper in SHELTON, Mason County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the said SHELTON-MASON COUNTY JOURNAL was on the 9<sup>th</sup> day of August, 1941, approved as a legal newspaper by the Superior Court of said Mason County.

That the annexed is a true copy of a **Public Notice**  
**Hood Canal Communications Annual Statement**  
**1522—Hood Canal Communications**

as it was published in regular issues and not in supplement form of said newspaper once each week for a period of One week, commencing on the 4<sup>th</sup> day of October, 2018 and ending on the 4<sup>th</sup> day of october, 2018, all dates inclusive, and that such newspaper was regularly distributed to its subscribers during all of the said period. That the full amount of the fee charged for the foregoing publication is the sum of \$540.00

David V. Pierik  
(David Pierik, Clerk)

Subscribed and sworn to before me this 4<sup>th</sup> day of October, 2018

Donna Kinnaird  
(Donna Kinnaird, Notary Public)  
Notary Public in and for the State of Washington  
Residing at Shelton, Washington

My commission expires March 14, 2020



## PUBLIC NOTICE

Hood Canal Telephone Co., Inc. (dba Hood Canal Communications) is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866)632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at US Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

### ADVERTISEMENT

#### HOOD CANAL COMMUNICATIONS

Hood Canal Communications has been the local telecommunications company serving the Union, Washington area since 1934. Since its inception, the company has been dedicated to developing and operating a modern, state-of-the-art communications network that provides high quality customer services and products at reasonable rates.

The company has accomplished these objectives, notwithstanding the higher costs of serving rural areas in the State of Washington and when few, if any, other telephone companies were interested in serving our communities. It has served, and intends to continue to serve both residential and business customers in our service area with high quality telecommunications services at rates that are competitive and affordable.

In addition to our basic telephone services, Hood Canal Communications offers advanced telecommunications services to its rural communities, including broadband services, special calling features and voice mail service. Such basic services are comprised of several components, which at a minimum include:

Monthly Charge	* Services Offered	Residence
\$18.00**/**	Business Single-party, voice grade access to the public switched network, including an unlimited amount of local calling	Charge *

Touch calling (dual tone multi-frequency) — There is no charge by Hood Canal signaling, or its functional equivalent) Communications for this capability.

Access to operator services. There is no additional charge by Hood Canal Communications to end user customers for the ability to call the operator. However, the call may involve a charge depending on the service requested and the rates of the company whose operator handled the call.

Access to Emergency 911 service. There is no additional charge by Hood Canal Communications to end user customers for the ability to access Emergency 911 service.\*\*\*\*

Access to Directory Assistance There is no additional charge by Hood Canal Communications to end user customers for the ability to call Directory Assistance. However, the call may involve a Directory Assistance charge, the amount of which depends on the area called and the rates of the company whose operator provided the directory information.

Access to interexchange (long distance) service — There is no additional charge by Hood Canal distance) service provider(s) Communications to end user

There is no charge by Hood Canal Signaling, or its functional equivalent) Communications for this capability.

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Access to interexchange (long distance) service provider(s) Communications to end user customers for the ability to place and receive toll calls through long distance networks of long distance carriers that offer service through the company's local network. However, toll calls may involve a charge from the long distance carrier depending on the type of call.

Toll limitation service for qualifying low-income customers Communications to qualifying low-income customers for toll blocking service. Qualifying low-income customers are generally participating in the Lifeline program.

The charges set forth are subject to change and in some instances are subject to change without notice. Certain non-recurring charges may also apply to installation or change of service. \*\* In addition to these charges, a Federally-mandated end user surcharge and other Federal, state and county taxes and surcharges apply. \*\*\* Discounts off of this rate are available to qualifying low-income customers. \*\*\*\* State and county taxes apply (currently \$0.95 per line, per month) to fund the provision of this capability. Hood Canal Communications participates in the Federal Lifeline and Link-Up Programs. Under these programs, Hood Canal Communications offers to qualifying low-income customers a discount off the monthly rate for basic residential exchange service or broadband service. Hood Canal Communications offers a monthly discount of \$9.25 off of the published rates for Lifeline residential telephone or broadband service. Currently the rate for Lifeline telephone service is \$8.75 per month and is subject to the standard subscriber line charge.

These services are available to all qualifying customers of Hood Canal Communications. The charges associated with these services are reflected each month on the regular telephone bill along with other charges for services provided by the company. Other telecommunications services are available by contacting the Hood Canal Communications Business Office at (360) 898-2481 or 1-800-356-9989 if calling from outside the company's local calling area.

HOOD CANAL TELEPHONE CO., INC.  
522419

Line 1222 Details on the number of minutes provided as part of the plan.

Hood Canal only provides its lifeline customers a flat rate local service. There is no measured local service provided, so the number of minutes provided is not necessary.

Line 1223 Additional charges for toll calls, and rates for each such plan.

Hood Canal does provide access to toll service providers to its lifeline customers. The lifeline customer has to choose its own toll service provider, so no additional charges are noted or required by Hood Canal.

<b>(2005) Price Cap Carrier Additional Documentation</b> <b>Data Collection Form</b> <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR 54.313(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

<2016> Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2018.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

	Name of Attached Document Listing Required Information	
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<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)



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(3007) Does this filing retain a Cost Consultant and/or Firm, or other Third Party to prepare financial and operations data disclosures submitted to the National Exchange Carrier Association (NECA), USAC, or the Administrator? Yes

(3007a) Name of Consultant	(3007b) Name of Consultant Firm/Third Party
RJ Del Mese	Moss Adams
Jenifer Wasnock	Johnson, Stone & Pagano, P.S.

CAF BLS Reporting

- |          |   |          |     |
|----------|---|----------|-----|
| (3008A)  | Please indicate whether new locations were deployed during the prior calendar year.   | (Yes/No) | Yes |
| (3008B)  | Please enter the number of new locations deployed in the prior calendar year associated with each of the following speed tiers. |          |     |
| (3008B1) | Number of newly built locations with access to broadband speeds of at least 10/1 Mbps but less than 25/3 Mbps.                  |          | 0   |
| (3008B2) | Number of newly built locations with access to broadband speeds of 25/3 Mbps or higher.   |          | 36  |
| (3008C)  | Please provide the percentage of deployment across the entire study area.   |          | 94  |



<b>(3005) Rate Of Return Carrier Additional Documentation (Continued)</b>	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2018

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**Financial Data Summary**

(3027) Revenue	2023617
(3028) Operating Expenses	3499789
(3029) Net Income	1374108
(3030) Telephone Plant In Service(TPIS)	9443150
(3031) Total Assets	10046558
(3032) Total Debt	877865
(3033) Total Equity	7772919
(3034) Dividends	0



**HoodCanal**  
COMMUNICATIONS

Cable TV - Voice - Broadband - Computer Repair

July 1, 2019

To: Commission Secretary, Office of Secretary  
Federal Communications Commission  
445 - 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, DC 20554

Re: FCC Form 481  
47 CFR 54.313(f)(1)(i)  
Milestone Certification  
Hood Canal Telephone Co., Inc.  
Union, Washington  
Study Area Code 522419

Hood Canal Telephone Co., Inc., SAC 522419, hereby certifies as required by 47 CFR 54.313 (f)(1)(i) for the FCC Form 481 program year 2020 that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such services are met within a reasonable amount of time.

By: Richard Buechel  
Richard Buechel  
President

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential. BORROWER NAME  Hood Canal Telephone Co., Inc.
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INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2018	BORROWER DESIGNATION WA0541
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**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.**

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII**  
*(Check one of the following)*

All of the obligations under the RUS loan documents have been fulfilled in all material respects.
  There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

\_\_\_\_\_  
DATE

**PART A. BALANCE SHEET**

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	1,625,224	1,502,837	25. Accounts Payable	348,950	420,471
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits	72,944	75,682
b. Other Accounts Receivable	83,615	121,363	29. Current Mat. L/T Debt	269,000	174,829
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	576,058	498,752	32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	110,683	137,516
c. Notes Receivable	10,200	19,300	34. Other Current Liabilities	701,520	669,448
5. Interest and Dividends Receivable			<b>35. Total Current Liabilities (25 thru 34)</b>	1,503,097	1,477,946
6. Material-Regulated	202,001	262,116	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	170,082	682,894	36. Funded Debt-RUS Notes	809,956	703,036
8. Prepayments	107,415	141,178	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
<b>10. Total Current Assets (1 Thru 9)</b>	2,774,595	3,228,440	39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan	85,508	
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	151,462	161,265	<b>46. Total Long-Term Debt (36 thru 45)</b>	895,464	703,036
13. Nonregulated Investments	4,422,304	4,095,996	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets	358,568	558,887	47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits	139,182	92,657
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
<b>17. Total Noncurrent Assets (11 thru 16)</b>	4,932,334	4,816,148	50. Total Other Liabilities and Deferred Credits (47 thru 49)	139,182	92,657
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	7,652,604	9,443,150	51. Cap. Stock Outstand. & Subscribed	50,000	50,000
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	148,856	351,082	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	6,571,835	7,792,262	55. Other Capital	515,689	515,689
<b>23. Net Plant (18 thru 21 less 22)</b>	1,229,625	2,001,970	56. Patronage Capital Credits		
<b>24. TOTAL ASSETS (10+17+23)</b>			57. Retained Earnings or Margins	5,833,122	7,207,230
	8,936,554	10,046,558	<b>58. Total Equity (51 thru 57)</b>	6,398,811	7,772,919
			<b>59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)</b>	8,936,554	10,046,558

Total Equity = 77.37% % of Total Assets

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

WA0541

PERIOD ENDING

December, 2018

INSTRUCTIONS- See RUS Bulletin 1744-2

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	203,329	198,608
2. Network Access Services Revenues	1,377,959	1,556,314
3. Long Distance Network Services Revenues	233,978	254,948
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues	18,920	18,460
6. Uncollectible Revenues	27,319	4,713
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	<b>1,806,867</b>	<b>2,023,617</b>
8. Plant Specific Operations Expense	1,466,016	1,605,519
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	217,726	240,398
10. Depreciation Expense	233,795	201,754
11. Amortization Expense	6,560	6,560
12. Customer Operations Expense	653,950	641,892
13. Corporate Operations Expense	819,358	803,666
<b>14. Total Operating Expenses (8 thru 13)</b>	<b>3,397,405</b>	<b>3,499,789</b>
15. Operating Income or Margins (7 less 14)	(1,590,538)	(1,476,172)
16. Other Operating Income and Expenses		
17. State and Local Taxes	126,501	103,137
18. Federal Income Taxes		
19. Other Taxes		
<b>20. Total Operating Taxes (17+18+19)</b>	<b>126,501</b>	<b>103,137</b>
21. Net Operating Income or Margins (15+16-20)	(1,717,039)	(1,579,309)
22. Interest on Funded Debt	42,674	31,753
23. Interest Expense - Capital Leases		
24. Other Interest Expense	3,441	2,308
25. Allowance for Funds Used During Construction		
<b>26. Total Fixed Charges (22+23+24-25)</b>	<b>46,115</b>	<b>34,061</b>
27. Nonoperating Net Income	118,189	18,139
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	2,537,659	2,969,339
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>892,694</b>	<b>1,374,108</b>
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	4,940,428	5,833,122
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	<b>5,833,122</b>	<b>7,207,230</b>
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	<b>0</b>	<b>0</b>
44. Annual Debt Service Payments	345,392	318,352
45. Cash Ratio [(14+20-10-11) / 7]	1.8173	1.6775
46. Operating Accrual Ratio [(14+20+26) / 7]	1.9758	1.7973
47. TIER [(31+26) / 26]	20.3580	41.3426
48. DSCR [(31+26+10+11) / 44]	3.4140	5.0777

USDA-RUS

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0541

PERIOD ENDED

December, 2018

**Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Union	19.50	18.00	157	536	693	126.69	29.64
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			157	536	693	126.69	29.64
No. Exchanges	1						

USDA-RUS

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0541

PERIOD ENDED

December, 2018

**Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

**4. BROADBAND SERVICE**

Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Union	693	1,117	29	6,000	768	39.95	StandAlone	DSL
Total	693	1,117						



USDA-RUS <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION WA0541
	PERIOD ENDING December, 2018

INSTRUCTIONS- See RUS Bulletin 1744-2

**PART D. SYSTEM DATA**

1. No. Plant Employees 17	2. No. Other Employees 24	3. Square Miles Served 16	4. Access Lines per Square Mile 43.31	5. Subscribers per Route Mile 5.47
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**PART E. TOLL DATA**

1. Study Area ID Code(s)	2. Types of Toll Settlements (Check one)
a. 522419	Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
b. _____	
c. _____	Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
d. _____	
e. _____	
f. _____	
g. _____	
h. _____	
i. _____	
j. _____	

**PART F. FUNDS INVESTED IN PLANT DURING YEAR**

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	1,543,290
6. Salvaged Materials	9,500
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	1,552,790

**PART G. INVESTMENTS IN AFFILIATED COMPANIES**

INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development	0	0	0	0	0

USDA-RUS  
**OPERATING REPORT FOR  
 TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

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PERIOD ENDING

December, 2018

**PART H. CURRENT DEPRECIATION RATES**

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES

NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	16.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	16.00%
5. Land and support assets - Buildings	4.00%
6. Land and support assets - Furniture and Office equipment	17.31%
7. Land and support assets - General purpose computers	18.00%
8. Central Office Switching - Digital	9.59%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	11.19%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	7.59%
19. Cable and wire facilities - Aerial cable - Metal	20.40%
20. Cable and wire facilities - Aerial cable - Fiber	7.11%
21. Cable and wire facilities - Underground cable - Metal	6.00%
22. Cable and wire facilities - Underground cable - Fiber	5.00%
23. Cable and wire facilities - Buried cable - Metal	6.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	4.35%
26. Cable and wire facilities - Other	

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BORROWER DESIGNATION

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**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

PERIOD ENDED

December, 2018

INSTRUCTIONS – See help in the online application.

**PART I – STATEMENT OF CASH FLOWS**

<b>1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>	1,625,224
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>2. Net Income</b>	1,374,108
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	201,754
4. Add: Amortization	6,560
5. Other (Explain) Reclassification of depreciation, deposits, deferred credits, advances, etc.	873,097
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	39,558
7. Decrease/(Increase) in Materials and Inventory	(572,927)
8. Decrease/(Increase) in Prepayments and Deferred Charges	(33,763)
9. Decrease/(Increase) in Other Current Assets	0
10. Increase/(Decrease) in Accounts Payable	71,521
11. Increase/(Decrease) in Advance Billings & Payments	0
12. Increase/(Decrease) in Other Current Liabilities	(5,239)
<b>13. Net Cash Provided/(Used) by Operations</b>	1,954,669
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
14. Decrease/(Increase) in Notes Receivable	(9,100)
15. Increase/(Decrease) in Notes Payable	0
16. Increase/(Decrease) in Customer Deposits	2,738
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(286,599)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	(46,525)
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20. Less: Payment of Dividends	0
21. Less: Patronage Capital Credits Retired	0
22. Other (Explain) Reclassification of deposit, deferred credits and change in investment note	52,887
<b>23. Net Cash Provided/(Used) by Financing Activities</b>	(286,599)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
24. Net Capital Expenditures (Property, Plant & Equipment)	(1,992,772)
25. Other Long-Term Investments	316,505
26. Other Noncurrent Assets & Jurisdictional Differences	(200,319)
27. Other (Explain) Remove retirements and trfrs from line 24, reclassification of depreciation, salvage, advances, etc.	86,129
<b>28. Net Cash Provided/(Used) by Investing Activities</b>	(1,790,457)
<b>29. Net Increase/(Decrease) in Cash</b>	(122,387)
<b>30. Ending Cash</b>	1,502,837

Revision Date 2010

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION  WA0541
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2018
<b>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	
Part C. 4. column e, the advertised upload speed is actually 1,000 kbps not 768 kbps. There was no option to select 1,000 kbps, so chose the closes option of 768 kbps.	

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION  WA0541
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2018
<b>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	

## Operating Report Checks

Borrower Name: Hood Canal Telephone Co., Inc.

Year: 2018

Borrower ID: WA0541

Period: December

### Part C: Subscriber (Access Line), Route Mile, & High Speed Data Information

Type	Check Key	Description
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Warning	1390	Total miles changed significantly from prior year. Values and rules checked: 496.88 (Yr: 2017) = 126.69 (Yr: 2018). Tolerance percentage: 15%
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*Borrower Explanation: There is only one exchange Union. In the prior year had a line/box to show route miles Outside Exchange Area, this year there is no line/box to input this information causing the variance.*

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2020
<030>	Contact Name - Person USAC should contact regarding this data	Rick Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

**4005 Rural Broadband Experiment**

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations and provide a list of newly served community anchor institutions.

**Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)**

Please address Line 4001 regarding compliance with the Commission’s public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas.

**Community Anchor Institutions – FCC 14-98 (paragraph 79)**

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

**If yes to 4003A, please provide a response for 4003B.**

**4003b.** Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information





<b>Certification - Reporting Carrier Data Collection Form</b>	<b>FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018</b>
---	---

<010> Study Area Code	522419
<015> Study Area Name	HOOD CANAL TEL CO
<020> Program Year	2020
<030> Contact Name - Person USAC should contact regarding this data	Rick Buechel
<035> Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039> Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
---	--

<010> Study Area Code	522419
<015> Study Area Name	HOOD CANAL TEL CO
<020> Program Year	2020
<030> Contact Name - Person USAC should contact regarding this data	Rick Buechel
<035> Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039> Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Johnson, Stone &amp; Pagano, P.S.</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Johnson, Stone &amp; Pagano, P.S.</u>
Name of Reporting Carrier:	<u>HOOD CANAL TEL CO</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> <span style="float: right;">Date: <u>06/24/2019</u></span>
Printed name of Authorized Officer:	<u>Richard Buechel</u>
Title or position of Authorized Officer:	<u>President</u>
Telephone number of Authorized Officer:	<u>3608983995 ext.</u>
Study Area Code of Reporting Carrier:	<u>522419</u> <span style="float: right;">Filing Due Date for this form: <u>07/01/2019</u></span>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	<u>HOOD CANAL TEL CO</u>
Name of Authorized Agent Firm:	<u>Johnson, Stone &amp; Pagano, P.S.</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> <span style="float: right;">Date: <u>06/18/2019</u></span>
Name of Authorized Agent Employee:	<u>Jenifer Wasnock</u>
Title or position of Authorized Agent or Employee of Agent	<u>Manager Consulting/Audit</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>2535667070 ext.278</u>
Study Area Code of Reporting Carrier:	<u>522419</u> <span style="float: right;">Filing Due Date for this form: <u>07/01/2019</u></span>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

