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6 **BEFORE THE WASHINGTON**
7 **UTILITIES AND TRANSPORTATION COMMISSION**

8 IN RE

9
10 PETITION OF KALAMA TELEPHONE
11 COMPANY TO RECEIVE SUPPORT
12 FROM THE STATE UNIVERSAL
COMMUNICATIONS SERVICES
PROGRAM

DOCKET NO.
PETITION FOR SUPPORT

13
14 COMES NOW Kalama Telephone Company (the "Company") and, pursuant to Chapter
15 480-123 of the Washington Administrative Code ("WAC") including, but not limited to, WAC 480-
16 123-110, hereby petitions the Washington Utilities and Transportation Commission (the
17 "Commission") to receive support from the State Universal Communications Services Program
18 established in RCW 80.36.650 (the "Program") for the fiscal year ending June 30, 2019.

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20 **I. Demonstration of Eligibility under WAC 480-123-100**

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22 1. WAC 480-123-100(1)(a): The Company is a local exchange company as defined in WAC
23 480-120-021 that serves less than forty thousand access lines within the state.

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PROGRAM - 1

- 1 2. WAC 480-123-100(1)(b): The Company is an incumbent local exchange carrier as defined
2 in 47 U.S.C. Sec. 251(h)
- 3 3. WAC 480-123-100(1)(c): The Company offers basic residential and business exchange
4 telecommunications services as set forth in WAC 480-120-021 and RCW 80.36.630.
- 5 4. WAC 480-123-100(1)(d): The Company's rates for residential local exchange service, plus
6 mandatory extended area service charges, are no lower than the local urban rate floor
7 established by the Commission as the benchmark rate based on the Federal Communications
8 Commission's national local urban rate floor pursuant to 47 C.F.R. Sec. 54.318 in effect on
9 the date of this Petition.
- 10 11 5. WAC 480-123-100(1)(e): The Company has been designated by the Commission as an
12 eligible telecommunications carrier for purposes of receiving federal universal service
13 support pursuant to 47 C.F.R. Part 54 Subpart D - Universal Service Support for High Cost
14 Areas with respect to the service area for which the Company is seeking Program support.

17 **II. Demonstration of Eligibility under WAC 480-123-110**

- 18 1. WAC 480-123-110(1)(a): The name of the legal entity that provides communications
19 services and is seeking Program support is as follows: Kalama Telephone Company.
- 20 2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between
21 the Company and all affiliates as defined in RCW 80.16.010 is attached hereto as Exhibit 1.

1 A detailed description of any transactions between the Company and the affiliates named in
2 Exhibit 1¹ recorded in the Company's operating accounts is attached hereto as Exhibit 2.²

- 3 3. WAC 480-123-110(1)(c): A service area map for the Company can be found at Sheet No.
4 20 of the Company's Tariff WN U-1.
- 5 4. WAC 480-123-110(1)(d): A demonstration that the Company's customers are at risk of rate
6 instability or service interruption or cessation in the absence of support from the Program is
7 attached as Exhibit 3.
- 8 5. WAC 480-123-110(1)(e)(i): On the Commission's prescribed form, attached as Exhibit 4,
9 are copies of the Company's balance sheet as of December 31, 2017, and December 31,
10 2016, and copies of the Company's statements of income and retained earnings or margin for
11 the years ended December 31, 2017 and December 31, 2016.
- 12 6. WAC 480-123-110(1)(e)(ii): A copy of the Company's consolidated annual financial
13 statements for the years ended December 31, 2017 and December 31, 2016, is attached as
14 Exhibit 5.
- 15 7. WAC 480-123-110(1)(e)(iii): Information demonstrating the Company's earned rate of
16 return on a total Washington unseparated regulated operations basis for each of the two prior
17 years, calculated in the manner prescribed by the Commission, is provided in Exhibit 4.
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22 ¹ Pursuant to agreement with the Commission Staff, Exhibit 1 is limited to those affiliates having transactions with the
23 Company that are to be identified in Exhibit 2.

24 ² Pursuant to agreement with the Commission Staff, Exhibit 2 is limited to transactions other than employment
25 compensation and benefits pursuant to employee benefit plans.

- 1 8. WAC 480-123-110(1)(e)(iv): Information demonstrating the Company's earned return on
2 equity on a total company (regulated and non-regulated) Washington basis for each of the
3 two prior years, calculated in the manner prescribed by the Commission, is provided in
4 Exhibit 4.
- 5 9. WAC 480-123-110(1)(e)(v): Information detailing all of the Company's revenues from the
6 statements of income and retained earnings or margin in the same format and detail as is
7 required to complete RUS Form 479 for the prior two years is presented on Exhibit 6.
- 8 10. WAC 480-123-110(1)(e)(vi): A statement under penalty of perjury from a Company officer
9 with personal knowledge and responsibility certifying that no corporate operations
10 adjustment to existing high-cost loop, interstate common line support and broadband loop
11 support mechanisms required by the Federal Communications Commission applied to the
12 Company for the two prior years is attached hereto as Exhibit 7.³
- 13 11. WAC 480-123-110(1)(e)(vii): Exhibit 4, and Exhibit 4.1, which is also attached and is on
14 the Commission's prescribed form, contains additional supporting information requested by
15 the Commission.
- 16 12. WAC 480-123-110(1)(e)(viii): A statement under penalty of perjury from a Company
17 officer with personal knowledge and responsibility certifying that the Company complies
18 with state and federal accounting, cost allocation, and cost adjustment rules pertaining to
19 incumbent local exchange companies is attached as Exhibit 8.
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24 ³ More specifically, Exhibit 7 sets forth amounts of corporate operations expense that were required by 47 C.F.R. §
25 54.1308(a)(4)(ii) to be excluded from the high-cost loop support, and interstate common line support or broadband loop
26 support (which, in part, has replaced interstate common line support), mechanisms, as applicable to the subject years.

1 13. WAC 480-123-110(1)(f): A complete copy of the FCC Form 481 filed by the Company or
2 on its behalf with the Federal Communications Commission for the calendar year preceding
3 the current year has already been filed with the Commission. See the Company's filing in
4 Docket No. UT-180004 filed on or about July 9, 2018.

5 14. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by
6 the Company as of December 31, 2017, was 1,669, all of which were within the geographic
7 area for which the Company is seeking support. The number of residential local exchange
8 access lines served by the Company as of December 31, 2016, was 1,690, all of which were
9 within the geographic area for which the Company is seeking support. The number of
10 business local exchange access lines served by the Company as of December 31, 2017, was
11 525, all of which were within the geographic area for which the Company is seeking
12 support. The number of business local exchange access lines served by the Company as of
13 December 31, 2016, was 529, all of which were within the geographic area for which the
14 Company is seeking support. The monthly recurring rate charged by the Company for
15 residential local exchange access service on December 31, 2017, was \$18.00. The monthly
16 recurring rate charged by the Company for residential local exchange access service on
17 December 31, 2016, was \$18.00. The rate charged by the Company for single line business
18 local exchange access service on December 31, 2017, was \$21.00. The rate charged by the
19 Company for single line business local exchange access service on December 31, 2016, was
20 \$21.00. The Company has other business local exchange service rates, but the Company
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1 understands that WAC 480-123-110(1)(g) is requesting the single line business local
2 exchange access service rate.

3 15. WAC 480-123-110(1)(h): The requested statement is attached as Exhibit 9.

4 16. The amount on Line 4, labeled 2011 ROR Carrier Base Period Revenue, of the CAF ICC
5 Data collection Report for the period 7/1/2018 - 6/30/2019 is \$746,728 and has not changed
6 from the last filing.

7 17. All exhibits attached hereto are incorporated in this Petition as though fully set forth.

8 Respectfully submitted this 1st day of August, 2018.
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11 Kalama Telephone Company

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13 CERTIFICATION

14 I, Steve Hanson, an officer of the Company that is responsible for the Company's business
15 and financial operations, hereby certify under penalty of perjury that the information and
16 representations set forth in the Petition, above, are accurate and the Company has not knowingly
17 withheld any information required to be provided to the Commission pursuant to the rules
18 governing the Program.

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20 
21 By: _____

22 Title: President
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