

<b>INLAND TELEPHONE COMPANY</b>							54.313(a)(1)	
<b>WASHINGTON OPERATIONS - SAC 522423</b>								
<b>FIVE YEAR FORECAST - NETWORK ADDITIONS</b>								
As they are known to the Company at the date of this Report, the planned investments and forecasted expenses related to Washington operations (Study Area Code 522423) for the period January 1, 2016 through December 31, 2020, are listed below. The Company expects to use all Universal Service Fund support received in order to fund the expenses related to the provisioning, maintenance and services provided over these upgraded facilities as well as existing facilities and to service the debt with the Rural Utility Service created in order to make these improvements; improving service quality, coverage and capacity. The Company (SAC 522423) received \$1,448,317 in federal high-cost support for the calendar year ended December 31, 2015. The Company expects that the continued receipt of Universal Service Fund support will aid the Company's efforts to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas of which all customers and potential customers in the Company's designated ETC service area will benefit.								
The Company forecasted for 2014, that upgrades to the facilities in its Prescott and Uniontown exchanges would be \$1,350,000 and \$1,430,000, respectively; upgrading fiber-to-the-node. The actual costs that were capitalized were \$1,412,768 and \$2,008,504, respectively.								
The Company forecasted for 2014 and 2015, that the upgrades to the facilities in its Roslyn exchange would total \$7,920,000; upgrading fiber-to-the-home. The amounts within the RUS Loan are \$1,916,220 for electronics and \$5,107,580 for outside plant; totaling \$7,023,800 which excludes estimated Engineering of \$1,100,000. The Company has until October 16, 2016, in order to complete all RUS projects.								
The Company forecasted for 2015, that upgrades to the facilities in its Dewatto exchange would be \$650,000; upgrading fiber-to-the-node. As the completion of the FTTH in Roslyn is taking priority, this project is to commence in July, 2016; fiber has been ordered.								
				<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>DEWATTO (372)</b>								
Access Lines (@ 12/31/2015)		313						
Data Subscribers (@ 12/31/2015)		230						
Fiber to the Node				550,000				
Electronics				100,000				
TOTAL DEWATTO				650,000				
<b>PRESCOTT (849)</b>								
Access Lines (@ 12/31/2015)		148						
Data Subscribers (@ 12/31/2015)		83						
Electronics (upgrade to 25/3 standard)					250,000			
<b>ROSLYN (649)</b>								
Access Lines (@ 12/31/2015)		1,257						
Data Subscribers (@ 12/31/2015)		977						
New Switch				180,000				
Fiber to the Premise				5,107,580				
Electronics				1,916,220				
Engineering				1,100,000				
TOTAL ROSLYN				8,303,800				
<b>UNIONTOWN (229)</b>								
Access Lines (@ 12/31/2015)		506						
Data Subscribers (@ 12/31/2015)		233						
Electronics (upgrade to 25/3 standard)					400,000			
<b>TOTAL</b>				8,953,800	650,000	0	0	0
<b>FORECASTED OPERATING EXPENSES</b>								
PLANT SPECIFIC OPERATIONS				1,298,305	1,244,720	1,196,305	1,152,448	1,112,610
PLANT NON-SPECIFIC OPERATIONS				428,358	445,947	464,630	484,475	505,554
ACCUMULATED DEPRECIATION				1,473,122	1,613,122	1,613,122	1,613,122	1,613,122
CUSTOMER OPERATIONS EXPENSES				496,121	507,958	517,051	523,994	529,272
CORPORATE OPERATIONS EXPENSES				866,789	858,925	849,851	839,856	829,189
<b>TOTAL OPERATING EXPENSES</b>				4,562,695	4,670,672	4,640,959	4,613,894	4,589,746