

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080
Contains Certifications Required by WAC 480-123-060 and 070
June 14, 2022

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 2021 as follows:

The Company received \$774,425 in Federal USF support in 2021 which is made up of \$519,169 in ACAM and \$255,256 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 2021 the Company's gross capital expenditures were \$1,479,000. The Company's 2021 operating expenses excluding income taxes were \$3,411,000. Projects that are A-CAM related begin with "CAF." Recent major projects include:

- Amboy - Bond Prep – Aerial	\$5,000
- Amboy - Bond Prep – Buried	\$35,400
- Amboy - DSL Card Additions	\$7,000
- Amboy - Buried Drop Additions	\$49,000
- Amboy - Aerial Drop Additions	\$5,900
- Amboy - Managed IP Install Equipment & Labor	\$1,800
- Amboy - STB & Ports -Video	\$35,300
- Amboy - CAFIO - DSA 0414015 (New Node) & .5 mil	\$170,200
- Amboy - CAFIO - DSA 0414007 (New Node) & 160' o	\$57,200
- Amboy - CAP - EXP DSA41401 (Amboy CO) E7 Port Au	\$4,500
- Amboy - LE - NE 185th & Cedar Creek-Amboy, WA	\$5,000
- Amboy - LE - 17924 Manning Circle (1 of 2) - Am	\$1,100
- Amboy - REM - DSA41402(Campers AFC - AMBYWA41402	\$3,200
- Amboy - REM-DSA41403 (Cheletchie-AMBYWA03msp01)	\$4,200
- Amboy - REM - DSA41404(Elliot - AMBYWA04msp01)	\$2,800
- Cougar - Bond Prep – Buried	\$3,800
- Cougar - Bond Prep – Aerial	\$2,300
- Cougar - Buried Drop Additions	\$6,000
- Cougar - STB & Ports -Video	\$4,200
- Cougar - CAP - EXP Bluebird Ln Cable Exhaust - C	\$1,500
- Cougar - REM - DSA41501 (COGRWA01msp01) - Cougar	\$4,500
- LaCenter - Bond Prep – Buried	\$39,300

- LaCenter - Bond Prep – Aerial	\$2,600
- LaCenter - Aerial Drop Additions	\$10,800
- LaCenter - Buried Drop Additions	\$123,700
- LaCenter - Buried Optical Drop	\$5,200
- LaCenter - STB & Ports -Video	\$95,600
- LaCenter - COR Buried Cable	\$3,600
- LaCenter - COR - Other	\$1,400
- LaCenter - Non-DSL Card Additions	\$12,800
- LaCenter - CAFIO - DSA 41609 (North Fork) CAFROR IS	\$6,500
- LaCenter - CAFIO - DSA 41604 (JA Moore) CAFROR ISP	\$10,700
- LaCenter - CAFIO - DSA 41606 (Underwood) CAFROR ISP	\$12,300
- LaCenter - CAP - NE Proctor Road Cable Exhaust - L	\$37,600
- LaCenter - CAFIO - DSA 0416008 (374th Circle) & 1.6	\$179,900
- LaCenter - CAP - NE Munch & NE 399th St - LaCenter,	\$74,800
- LaCenter - CAP - DSA41623 (Grantham Rd) crossbox up	\$48,300
- LaCenter - IPR - 7750 EoL MDA mod (LACTWAhed11)	\$6,100
- LaCenter - MAN - NE Old Pup Creek Road - LaCenter	\$24,300
- LaCenter - MAN - LaCenter Middle School fiber reloc	\$1,000
- LaCenter - CAP - NW Bolen St Cable Exhaust - LaCen	\$2,200
- LaCenter - CAFIO - LaCenter WA DSA 41607 AFC Retrof	\$8,800
- LaCenter - NB - FTTH Highland Terrace - Lacercenter,	\$23,000
- LaCenter - NB - Kays Subdivision Phase2and3 - LaCen	\$22,700
- LaCenter - NB - Holley Park Subdivision - LaCenter,	\$23,500
- LaCenter - NB - FTTH Riverside Estates Phase2- LaCe	\$17,400
- LaCenter - REM - LACTWAXA 5ESS - LaCenter, WA	\$1,600
- LaCenter - LAN - CO to Warehouse (tech center) Lin	\$4,500
- LaCenter - REM - DSA41609 (North Fork ADTRAN - LAC	\$1,800
- LaCenter - REM - DSA41604 (JA Moore Adtran TA5K)	\$5,300
- LaCenter - REM - DSA 41606 (Underwood Adtran TA5K)	\$5,200
- LaCenter - REM-DSA41600(LACTWAXApot02,pot03&pot05)	\$1,500
- LaCenter - "REM - LACTWAXA 5ESS - LaCenter, WA"	\$17,800
- LaCenter - Exfo MAX 635 Pkg - LaCenter WA - 2	\$8,900
- LaCenter - 3M Copper MSS Splicing Rig - LaCenter	\$3,000
- LaCenter - Exfo OX1-Pro Opt Explr - LaCenter - 2	\$9,700
- Yale - Buried Drop Additions	\$21,100
- Yale - STB & Ports -Video	\$14,700
- Yale - CAP - EXP Yale Bridge Rd Cable Exhaust	\$1,600
- Yale - CAP - Shetler Road Cable Exhaust - Lacen	\$6,200
- Yale - ATC LE - Central Valley Drive - LaCente	\$5,100
- Yale - CAFIO - DSA0417005 (Arrowhead Rd) - Yal	\$80,400
- Yale - CAFIO - DSA0417004 (Reese Rd) - Yale, WA	\$41,900
- Yale - CAP - Barneys Lane Cable Capacity - LaC	\$10,400
- Yale - LE - New lots at Bigfoot Rd - LaCenter	<u>\$15,700</u>

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, 2022.

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 no reportable outages in calendar year 2021.

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

The Company had no unfulfilled voice service requests in 2021 and 32 unfulfilled broadband service requests as of year-end 2021. Of those 32 requests, 4 have since been provisioned with the customer's requested speed. The remaining 28 customers have broadband service at speeds lower than requested. Those speeds will be increased when faster speeds become available.

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

The Company reports that it is aware of 0.23 voice complaints per 1,000 customers in calendar year 2021. One voice complaint was to Office of Attorney General (OAG) regarding service quality. The company had 1.19 broadband service quality complaints per 1,000 customers to the FCC. One broadband complaint was to the Washington

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

Utilities and Transportation Commission, one complaint was to the Office of Attorney General and four were to the FCC 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, 2023, through December 31, 2023 will include the estimated capital investment relating to projects opened to improve broadband speeds relating to A-CAM commitments. The estimated operating expenses for 2023 are \$3,411,000. In addition, the Company expects to experience a similar level of routine projects during 2023 relating to buried drops, line extensions, capacity improvements and new developments. Major projects completed in 2021 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 2021, 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, 2023, through December 31, 2023, will remain relatively the same as those it experienced in calendar year 2021, 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 A-CAM 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.