

REPORT OF HOOD CANAL TELEPHONE CO., INC. UNDER THE  
WASHINGTON UNIVERSAL COMMUNICATIONS SERVICES PROGRAM  
IN COMPLIANCE WITH WAC 480-123-130

June 30, 2017

Docket No. UT-160953

Filed electronically

1. WAC 480-123-130(1)(a) - Access Lines Served [NECA 1.3 working loops]

	January 1, 2016	December 31, 2016
Residential	613	587
Business	224	211

2. WAC 480-123-130(1)(b) - Use of Support

The funds received by the Company from the universal communications services program in calendar year 2016 represent monies that the Company formerly received through the Washington Exchange Carrier Association (WECA) pooling process and the reduction of support under the Federal Communications Commission's (FCC's) Connect America Fund InterCarrier Compensation Fund (CAF ICC) program. As such, the funds from the universal communications services program contributed to defrayal of the ongoing operation and maintenance expenses of the Company. The funds from the universal communications services program are contributing to the Company's ongoing provision of high-quality basic telecommunications service to customers residing in the area the Company serves.

In December 2016, the Company received \$134,293 from the universal service communications program for the fiscal year ending June 30, 2017.

During the first six months of 2017, the Company upgraded its computer network for approximately \$9,000, acquired work equipment for approximately \$15,000, installed fiber drops for approximately \$3,000 and continue to work on the Union Ridge fiber-to-the-home project for approximately \$27,500. The funds received from the universal communications services program can be viewed as contributing to the Company's ability to perform those projects, the funds received from the program included, without limitation, the repayment of loan funds for other projects completed in the past. In the second half of 2017, the Company plans to implement additional fiber-to-the-home projects for the approximately \$237,000, fiber underground cable additions for approximately \$40,000 and computer system upgrades for approximately \$25,000.

3. WAC 480-123-130(1)(c) - Unfilled Consumer Requests for New Basic Telecommunications Service\*

None

\* Service requests that are ongoing but still within normal processing times are not counted as unfulfilled.

4. WAC 480-123-130(1)(e) - FCC Form 477

This form was previously filed on or about March 1, 2017 under Docket UT-170009.

5. WAC 480-123-130(1)(f) - Report on Operational Efficiencies/Business Plan Modifications

The Company continually reviews its operations to determine if efficiencies can be achieved. The Company already has a plan in place to concentrate on improving broadband service capabilities while continuing to provide high-quality basic telecommunications service to the customers that are located within the area that the Company serves. The Company plans to continue to install fiber-to-the-home to targeted areas throughout its study area in the coming years. The funds received from the universal communications services program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

6. WAC 480-123-130(1)(g) and (h) - Other information

Not applicable.

Certified Statement as required by WAC 480-123-130(1)(d):

I, Michael Oblizalo, am an officer of Hood Canal Telephone Co., Inc., and upon personal knowledge and with responsibility therefore, hereby certify under penalty of perjury, that Hood Canal Telephone Co., Inc. materially complied with Commission rules under Chapter 480-120 WAC that are applicable to the Company and its provision of service within the area for which the Company received universal communications services program support.

Signed at Union, Washington this 30<sup>th</sup> day of June, 2017.

  
Vice President