



WeavTel
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July 29, 2016

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: Petition of Westgate Communications LLC dba WeavTel to receive support from the Universal Service Communications Program

Dear Mr. King:

Pursuant to WAC 480-123-110, Westgate Communications LLC dba WeavTel ("Company") hereby submits to the Washington Utilities and Transportation Commission its petition for eligibility to receive program support from the State Universal Service Communications Program year ending June 30, 2017. Enclosed is the petition and the exhibits supporting the Company's petition. Native versions are also provided as available in the electronic filing.

If you should have any questions or need further information, please call me at (509) 682-5556.

Sincerely,

Richard J. Weaver
General Manager

Enclosures

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5
6 **BEFORE THE WASHINGTON**
7 **UTILITIES AND TRANSPORTATION COMMISSION**

8 IN RE

9
10 PETITION OF WESTGATE
11 COMMUNICATIONS LLC[D/B/A
12 WEAVTEL] TO RECEIVE SUPPORT
13 FROM THE STATE UNIVERSAL
COMMUNICATIONS SERVICES
PROGRAM

DOCKET NO.

PETITION FOR SUPPORT

14 COMES NOW Westgate Communications LLC [d/b/a WeavTel] (the "Company") and,
15 pursuant to Chapter 480-123 of the Washington Administrative Code ("WAC") including, but not
16 limited to, WAC 480-123-110, hereby petitions the Washington Utilities and Transportation
17 Commission (the "Commission") to receive support from the State Universal Communications
18 Services Program established in RCW 80.36.650 (the "Program") for the fiscal year ending June 30,
19 2017.
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21 **I. Demonstration of Eligibility under WAC 480-123-100**

- 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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26 PETITION OF WESTGATE
COMMUNICATIONS LLC [D/B/A
WEAVTEL] TO RECEIVE SUPPORT FROM
THE STATE UNIVERSAL
COMMUNICATIONS SERVICES PROGRAM -
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- 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 5. WAC 480-123-100(1)(e): The Company has been designated by the Commission as an
11 eligible telecommunications carrier for purposes of receiving federal universal services
12 support pursuant to 47 C.F.R. Part 54 Subpart D - Universal Service Support for High Cost
13 Areas with respect to the service area for which the Company is seeking Program support.
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16 **II. Demonstration of Eligibility under WAC 480-123-110**

- 17 1. WAC 480-123-110(1)(a): The name of the legal entity that provides communications
18 services and is seeking Program support is as follows: Westgate Communications LLC
19 [d/b/a WeavTel].
- 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.
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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. 63
4 Revision No. 1 of the Company's Tariff WN U-2.

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, are
9 copies of the Company's balance sheet as of December 31, 2015, and December 31, 2014,
10 and copies of the Company's statements of income and retained earnings or margin for the
11 years ended December 31, 2015 and December 31, 2014.

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, 2015 and December 31, 2014, 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.

18 8. WAC 480-123-110(1)(e)(iv): Information demonstrating the Company's earned return on
19 equity on a total company (regulated and non-regulated) Washington basis for each of the
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1 two prior years, calculated in the manner prescribed by the Commission, is provided in
2 Exhibit 4.

3 9. WAC 480-123-110(1)(e)(v): Information detailing all of the Company's revenues from the
4 statements of income and retained earnings or margin in the same format and detail as is
5 required to complete RUS Form 479 for the prior two years is presented on Exhibit 6.

6 10. WAC 480-123-110(1)(e)(vi): A statement under penalty of perjury from a Company officer
7 with personal knowledge and responsibility certifying that no corporate operations
8 adjustment to existing high-cost loop and interstate common line support mechanisms
9 required by the Federal Communications Commission applied to the Company for the two
10 prior years is attached hereto as Exhibit 7.

11 11. WAC 480-123-110(1)(e)(vii): Exhibit 4 contains additional supporting information
12 requested by the Commission.

13 12. WAC 480-123-110(1)(e)(viii): A statement under penalty of perjury from a Company officer
14 with personal knowledge and responsibility certifying that the Company complies with state
15 and federal accounting, cost allocation, and cost adjustment rules pertaining to incumbent
16 local exchange companies is attached as Exhibit 8.

17 13. WAC 480-123-110(1)(f): A complete copy of the FCC Form 481 filed by the Company or
18 on its behalf with the Federal Communications Commission for the calendar year preceding
19 the current year has already been filed with the Commission. See the Company's filing in
20 Docket No. UT-150063 filed on or about July 1, 2016.
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1 14. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by
2 the Company as of December 31, 2015, was 66 all of which were within the geographic area
3 for which the Company is seeking support. The number of residential local exchange access
4 lines served by the Company as of December 31, 2014, was 29, all of which were within the
5 geographic area for which the Company is seeking support. The number of business local
6 exchange access lines served by the Company as of December 31, 2015, was 44, all of which
7 were within the geographic area for which the Company is seeking support. The number of
8 business local exchange access lines served by the Company as of December 31, 2014, was
9 33, all of which were within the geographic area for which the Company is seeking support.
10 The monthly recurring rate charged by the Company for residential local exchange access
11 service on December 31, 2015, was \$25.00. The monthly recurring rate charged by the
12 Company for residential local exchange access service on December 31, 2014, was \$25.00.
13 The rate charged by the Company for single line business local exchange access service on
14 December 31, 2015, was \$35.00. The rate charged by the Company for single line business
15 local exchange access service on December 31, 2014, was \$35.00. (The Company has other
16 business local exchange service rates, but the Company understands that WAC 480-123-
17 110(1)(g) is requesting the single line business local exchange access service rate.)
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20 15. WAC 480-123-110(1)(h): The requested statement is attached as Exhibit 9.

21 16. All exhibits attached hereto are incorporated in this Petition as though fully set forth.
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23
24 Respectfully submitted this 29th day of July, 2016.
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26 PETITION OF WESTGATE
COMMUNICATIONS LLC [D/B/A
WEAVTEL] TO RECEIVE SUPPORT FROM
THE STATE UNIVERSAL
COMMUNICATIONS SERVICES PROGRAM -

Richard J. Weaver

Westgate Communications LLC
d/b/a WeavTel

CERTIFICATION

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

Richard J. Weaver

By: _____

By: Richard J. Weaver

Title: General Manager

EXHIBIT 1

CORPORATE ORGANIZATION CHART

Westgate Communication LLC dba WeavTel , does not have any affiliates.

EXHIBIT 2

AFFILIATED TRANSACTIONS

Not applicable

EXHIBIT 3

DEMONSTRATION OF RISK OF RATE INSTABILITY OR SERVICE INTERRUPTION OR CESSATION

The operating environment in which the Company finds itself has created a climate of great financial uncertainty. The Company has been working over the past several years to address growing competition. The Company has taken steps to increase the availability and attributes of advanced services offered by the Company, including broadband. This has resulted in the Company making additional investments in regulated plant of approximately \$311,341 during the period January 1, 2011 through December 31, 2015. Earlier investments in plant were made to start and build the Stehekin exchange. This was accomplished by obtaining RUS funding of which we are now paying back.

The overall financial condition of the Company is detailed on other Exhibits to this Petition. What this information demonstrates is that, when adjusted to eliminate the support from the state Universal Communications Services Program that the Company received or accrued in 2015, the Company's total regulated revenue decreased by 5 percent per year from 2011 through 2015. The Company has looked for ways to lower expenses. However, much of the Company's operating expenses are fixed obligations, such as debt-related payments.

Westgate's main concern in revenue loss has been due to new unforeseen cost caps imposed by the FCC. The cost caps have made it difficult to meet the previous debt payments.

As an example, some of the financial uncertainty that the Company faces stems from the USF/ICC Transformation Order issued by the Federal Communications Commission.¹ The USF/ICC Transformation Order has built in an automatic decline in the Company's intrastate and interstate access revenues. The intercarrier compensation portion of the Transformation Order introduces a concept of a base line year for calculating terminating access and reciprocal compensation revenues and provides support from the Connect America Fund ("CAF") based on the base line year. However, the base line year revenues (from which the level of CAF support is derived) are reduced iteratively by five percent each year. "The CAF support reduction began in July 2012. Projecting through the year ending June 30, 2017, including reductions that will occur July 1, 2016, the Company has seen a reduction in support from the base line revenue of approximately \$71,089.

¹ *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform - Mobility Fun*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011)(*USF/ICC Transformation Order*).

If applicable: On top of all this, during the four-year period ended December 31, 2015, the Company has seen its total federal high cost support undergo a significant reduction, declining from \$117,516 in 2011 to \$89,169 in 2015.

These factors, among others, have led to the strained financial condition of the Company as reflected in the financial reports that are part of the Petition.

The combination of factors noted above creates a situation in which, without support from the state universal communications services program, the Company may be faced with a choice of increasing rates further or reducing service in order to be able to match expenses to revenues. Neither choice presents a viable path for providing continued high quality service to customers. The dilemma presented by these choices reflects the risk of rate instability or service interruption or cessation to which the Company is subject.

WeavTel
Profit & Loss
 January through December 2014

EXHIBIT 5

	Jan - Dec 14
Ordinary Income/Expense	
Income	
5 · Operating Revenue	
5000.00 · Local Service Revenue	
5000.10 · Monthly Service - Regulated	
5000.11 · Residential Line	6,110.50
5000.12 · Business Line	15,380.00
Total 5000.10 · Monthly Service - Regulated	21,490.50
5000.30 · Vertical Feat	
5000.34 · Voice Mail	44.00
5000.36 · Long Distance	2,994.32
5000.37 · Automatic Call Return	10.37
Total 5000.30 · Vertical Feat	3,048.69
Total 5000.00 · Local Service Revenue	24,539.19
5080.00 · Network Access Services Revenue	
5081.00 · End User revenue	4,772.17
5082.00 · Switched access revenue	
5082.10 · Switched Access - HCL	81,386.00
5082.35 · Switched Access USAC-CAF ICC	20,768.00
5082.36 · Inter-state CCL	45,768.00
5082.37 · Inter-state TS	130,464.00
5082.40 · Inter-state Revenues	23,177.30
5082.85 · Intra-state revenues	17,968.74
5082.90 · WECA support	21,183.00
5082.91 · NECA Support	54,603.00
5280.86 · CAF Intrastate	11,324.00
Total 5082.00 · Switched access revenue	406,642.04
Total 5080.00 · Network Access Services Revenue	411,414.21
5200.70 · Miscellaneous Revenue	
5083.00 · E 911 reimbursement	15,732.00
5200.71 · Installations	1,500.00
5200.72 · Service Call	1,190.00
5200.73 · Internet services	9,386.00
5200.80 · Monthly Maint & rental	1,072.00
5200.85 · Equipment Sales	-298.12
5200.70 · Miscellaneous Revenue - Other	1,982.93
Total 5200.70 · Miscellaneous Revenue	30,564.81
Total 5 · Operating Revenue	466,518.21
5100.00 · Billing Credits	-431.87
5200.75 · Late Payment fees	12.50
5280.00 · CLEC Revenues	
5280.10 · CLEC -Resale Revenues	
5280.12 · CLEC POTS Business	321.34
5280.14 · CLEC Features	28.79
Total 5280.10 · CLEC -Resale Revenues	350.13
Total 5280.00 · CLEC Revenues	350.13
5300 · Uncollectible	-189.24
Total Income	466,259.73
Gross Profit	466,259.73
Expense	
6 · Operating Expenses	
61 · Plant specific	
6112.00 · Motor Vehicle Expense	12,066.49

WeavTel
Profit & Loss
 January through December 2014

	Jan - Dec 14
6120.30 · General Support - Other	250.00
6121.00 · Land & Building Expense	46,584.66
6124.00 · General Purpose Computers Expen	1,838.56
6210.00 · COE Switching Expense	8,112.99
6230.00 · Central Office transmission	135,150.84
6235.00 · LNP/SOW Expense	62.31
6237.00 · Access Expenses/payments	5.44
61 · Plant specific - Other	0.00
Total 61 · Plant specific	204,071.29
64 · Outside Plant	
6410.40 · OSP Expense	14,011.45
Total 64 · Outside Plant	14,011.45
65 · Plant nonspecific	
6530.00 · Plant Administration Expense	8,730.76
6530.25 · Network Operations - Other	2,610.03
6530.35 · Network Operations - LD	2,044.07
Total 65 · Plant nonspecific	13,384.86
Total 6 · Operating Expenses	231,467.60
656 · Depreciation and Amortization	
6560.00 · Depreciation Expense	165,877.86
Total 656 · Depreciation and Amortization	165,877.86
66 · Customer	
6620.00 · Customer Service	15,546.63
6625.00 · CABS Billing	15,247.41
6630.00 · TRS Fund Contributions	237.22
Total 66 · Customer	31,031.26
67 · Corporate	
6710.00 · Executive Labor	14,529.80
6720.00 · Office Supplies & Maintenance	2,116.95
6720.05 · Administrative Expense	41,742.27
6720.10 · Accounting Services	8,018.64
6720.25 · Consulting Services	1,390.00
6720.30 · Postage & Delivery	914.34
6720.35 · Bank Service Charges	537.90
6720.40 · General Labor Expense	0.00
6720.42 · Interstate Labor	27,802.26
6720.43 · Intra-State Expense	18,767.97
6720.45 · Benefits Expense	0.00
6720.50 · Meals and Entertainment	288.84
6720.80 · Advertising Expense	97.38
6720.99 · Miscellaneous Expense	217.60
Total 67 · Corporate	116,423.95
6710.05 · Executive Compensation Expense	10,640.00
6720.70 · Interest Expense	967.06
69800 · Uncategorized Expenses	0.00
7200.20 · Operating Regulatory Fees and T	458.31
7200.25 · Wa State Excise Tax	375.78
7200.60 · Proprty Tax Expense	2,103.27
7230.00 · Payroll Taxes Expense	
7230.10 · WA State L& I Tax - Op	523.29
7230.20 · WA State SUTA Tax -Op	95.79
7230.30 · WA State Admin Fund	0.00
7240.00 · Federal Payroll Tax - Op	5,408.40
7230.00 · Payroll Taxes Expense - Other	561.14
Total 7230.00 · Payroll Taxes Expense	6,588.62

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Accrual Basis

WeavTel
Profit & Loss
January through December 2014

	Jan - Dec 14
7500.10 · Interest	2,052.87
7500.11 · Interest other	463.51
7500.20 · Amortization	750.00
7500.30 · RUS Loan Interest	141,176.43
7990.00 · Non-Regulated Expenses	599.00
7991.65 · Nonregulated Depreciation	543.38
Total Expense	711,518.90
Net Ordinary Income	-245,259.17
Other Income/Expense	
Other Income	
7300.60 · Written off debt	81,935.96
Total Other Income	81,935.96
Net Other Income	81,935.96
Net Income	-163,323.21

WeavTel
Balance Sheet
As of December 31, 2014

	Dec 31, 14
ASSETS	
Current Assets	
Checking/Savings	
1120.16 · Cash - Banner 6622	136.89
1120.25 · Cashmere Valley Bank	3,320.80
1120.99 · Clearing Account for Prepayment	3,240.00
Total Checking/Savings	6,697.69
Accounts Receivable	
1160.00 · Installs and Repairs	85.00
1170.00 · Telecom - A/R	4,333.01
1180.00 · Due from Intercompany - WeavNet	5,379.28
1190.00 · A/R IXC's	46,697.75
Total Accounts Receivable	56,495.04
Other Current Assets	
1406.00 · Pay Phone	2,822.86
1410.10 · Other Assest - RUS Loan Fee	12,000.00
1410.15 · Accum Amort - RUS Loan Fee	-8,000.00
Total Other Current Assets	6,822.86
Total Current Assets	70,015.59
Fixed Assets	
2003.00 · Construction in Progress	
2003150 · 2003-2014-5 Towers	851.54
2003324 · WO NPS Right of Way Permit	2,534.57
Total 2003.00 · Construction in Progress	3,386.11
2110.00 · Other Fixed Assets	
2110.10 · Land	136,659.55
2110.30 · Office Equipment	15,489.78
2110.40 · Motor Vehicles	
2110.42 · 2004 GMC Canyon Pickup	23,298.07
2110.43 · 1998 Durango	6,105.00
2110.50 · 2013 GMC Arcadia	43,177.80
Total 2110.40 · Motor Vehicles	72,580.87
2110.60 · Computer Equipment	17,075.51
2210.00 · Central Office - Switching	513,023.02
Total 2110.00 · Other Fixed Assets	754,828.73
2110.20 · Buildings	380,944.41
2114.00 · Tools and Other Equipment	16,044.38
2230.10 · COE Transmission - Trunk Carrie	372,145.06
2230.20 · COE Transmission - Subscriber C	445,834.21
2410.40 · Outside Plant	260,429.61
Total Fixed Assets	2,233,612.51
Other Assets	
1406.10 · Nonregulated Accum Depreciation	-543.38
3110.00 · Accumulated Depreciated	-1,388,807.94
Total Other Assets	-1,389,351.32
TOTAL ASSETS	914,276.78
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
4000.00 · Accounts Payable	465,352.47

WeavTel
Balance Sheet
As of December 31, 2014

	Dec 31, 14
Total Accounts Payable	465,352.47
Credit Cards	
4140.00 · Wells Fargo CC 0854	9,892.95
Total Credit Cards	9,892.95
Other Current Liabilities	
2100.00 · Payroll Liabilities	767.80
2200 · Sales Tax Payable	999.94
4080.00 · Property Tax Liablitiy	2,056.00
4080.20 · Taxes & Surcharge Liability	4,032.61
4120.00 · Acrued Interest	557,958.27
4131.00 · Payroll TX Liabilities	1,834.32
4250.00 · Current Portion	1,387,564.00
4255.00 · Current Portion - Contra	-1,387,564.00
Total Other Current Liabilities	567,648.94
Total Current Liabilities	1,042,894.36
Long Term Liabilities	
4200.00 · LTD - Loans	
4200.10 · LTD - RUS Loan	1,340,396.00
4200.25 · LTD - Great Plains Capital Corp	318,953.06
4200.30 · LTD - Richard Weaver	15,730.50
4200.60 · Wells Fargo Line of credit	63,598.97
4200.70 · CVB - Auto Loan	34,497.01
Total 4200.00 · LTD - Loans	1,773,175.54
Total Long Term Liabilities	1,773,175.54
Total Liabilities	2,816,069.90
Equity	
1110 · Retained Earnings	-1,214,374.56
4510.00 · Member's Equity	
4510.10 · Member's Equity - RJW	-393,071.52
4510.50 · Member's Equity - Jim Willifers	-131,023.83
Total 4510.00 · Member's Equity	-524,095.35
Net Income	-163,323.21
Total Equity	-1,901,793.12
TOTAL LIABILITIES & EQUITY	914,276.78

WeavTel
Profit & Loss
 January through December 2015

	Jan - Dec 15
Ordinary Income/Expense	
Income	
5 · Operating Revenue	
5000.00 · Local Service Revenue	
5000.10 · Monthly Service - Regulated	
5000.11 · Residential Line	6,302.66
5000.12 · Business Line	15,085.00
Total 5000.10 · Monthly Service - Regulated	21,387.66
5000.30 · Vertical Feat	
5000.34 · Voice Mail	99.00
5000.36 · Long Distance	3,552.96
5000.37 · Automatic Call Return	34.59
Total 5000.30 · Vertical Feat	3,686.55
Total 5000.00 · Local Service Revenue	25,074.21
5080.00 · Network Access Services Revenue	
5081.00 · End User revenue	5,827.68
5082.00 · Switched access revenue	
5082.10 · Switched Access - HCL	89,169.00
5082.36 · Inter-state CCL	104,943.00
5082.37 · Inter-state TS	219,112.00
5082.40 · Inter-state Revenues	27,706.16
5082.85 · Intra-state revenues	22,787.26
5082.90 · WECA support	51,555.50
5082.91 · NECA Support	-20,256.00
5280.86 · CAF Intrastate	16,274.00
Total 5082.00 · Switched access revenue	511,290.92
Total 5080.00 · Network Access Services Revenue	517,118.60
5200.70 · Miscellaneous Revenue	
5083.00 · E 911 reimbursement	15,732.00
5200.71 · Installations	1,600.00
5200.72 · Service Call	5,662.92
5200.73 · Internet services	16,211.15
5200.80 · Monthly Maint & rental	1,140.00
5200.70 · Miscellaneous Revenue - Other	25.00
Total 5200.70 · Miscellaneous Revenue	40,371.07
Total 5 · Operating Revenue	582,563.88
5100.00 · Billing Credits	-340.81
5200.75 · Late Payment fees	17.50
5280.00 · CLEC Revenues	
5280.10 · CLEC -Resale Revenues	
5280.12 · CLEC POTS Business	353.28
5280.14 · CLEC Features	34.69
Total 5280.10 · CLEC -Resale Revenues	387.97
Total 5280.00 · CLEC Revenues	387.97
Total Income	582,628.54
Gross Profit	582,628.54
Expense	
6 · Operating Expenses	
61 · Plant specific	
6112.00 · Motor Vehicle Expense	16,228.36
6120.30 · General Support - Other	711.48
6121.00 · Land & Building Expense	43,767.30
6124.00 · General Purpose Computers Expen	2,192.62
6210.00 · COE Switching Expense	7,699.14

WeavTel
Profit & Loss
 January through December 2015

	Jan - Dec 15
6230.00 · Central Office transmission	174,500.79
6235.00 · LNP/SOW Expense	23.92
6237.00 · Access Expenses/payments	0.96
Total 61 · Plant specific	245,124.57
64 · Outside Plant	
6410.40 · OSP Expense	25,495.25
Total 64 · Outside Plant	25,495.25
65 · Plant nonspecific	
6530.00 · Plant Administration Expense	17,696.20
6530.25 · Network Operations - Other	3,727.34
6530.35 · Network Operations - LD	2,168.47
Total 65 · Plant nonspecific	23,592.01
Total 6 · Operating Expenses	294,211.83
6540.00 · Access Expenses	1,118.00
656 · Depreciation and Amortization	
6560.00 · Depreciation Expense	143,407.93
Total 656 · Depreciation and Amortization	143,407.93
66 · Customer	
6620.00 · Customer Service	6,947.88
6625.00 · CABS Billing	14,262.45
6630.00 · TRS Fund Contributions	500.60
Total 66 · Customer	21,710.93
67 · Corporate	
6710.00 · Executive Labor	16,969.77
6720.00 · Office Supplies & Maintenance	2,057.56
6720.05 · Administrative Expense	30,604.70
6720.10 · Accounting Services	30,372.80
6720.20 · Legal Expense	2,016.20
6720.25 · Consulting Services	2,983.00
6720.30 · Postage & Delivery	1,194.91
6720.35 · Bank Service Charges	533.25
6720.40 · General Labor Expense	0.00
6720.42 · Interstate Labor	27,659.96
6720.43 · Intra-State Expense	6,249.93
6720.45 · Benefits Expense	-1,752.02
6720.50 · Meals and Entertainment	159.50
6720.80 · Advertising Expense	195.74
6720.99 · Miscellaneous Expense	768.94
Total 67 · Corporate	120,014.24
6710.05 · Executive Compensation Expense	-10,640.00
6720.70 · Interest Expense	291.07
69800 · Uncategorized Expenses	0.00
7200.20 · Operating Regulatory Fees and T	539.85
7200.60 · Property Tax Expense	2,111.51
7230.00 · Payroll Taxes Expense	
7230.10 · WA State L&I Tax - Op	0.00
7230.20 · WA State SUTA Tax -Op	0.00
7230.30 · WA State Admin Fund	0.00
7240.00 · Federal Payroll Tax - Op	0.00
7230.00 · Payroll Taxes Expense - Other	0.00
Total 7230.00 · Payroll Taxes Expense	0.00
7500.10 · Interest	1,895.35
7500.11 · Interest other	564.35
7500.30 · RUS Loan Interest	74,203.42
7990.00 · Non-Regulated Expenses	737.15

2:52 PM

07/29/16

Accrual Basis

WeavTel
Profit & Loss
January through December 2015

	Jan - Dec 15
7991.00 · Non Regulated - Excede	10,681.87
Total Expense	660,847.50
Net Ordinary Income	-78,218.96
Net Income	<u>-78,218.96</u>

WeavTel
Balance Sheet
 As of December 31, 2015

	Dec 31, 15
ASSETS	
Current Assets	
Checking/Savings	
1120.16 · Cash - Banner 6622	6,358.47
1120.25 · Cashmere Valley Bank	50,387.49
1120.99 · Clearing Account for Prepayment	102.15
Total Checking/Savings	56,848.11
Accounts Receivable	
1160.00 · Installs and Repairs	85.00
1170.00 · Telecom - A/R	2,865.39
1180.00 · Due from Intercompany - WeavNet	11,490.08
1190.00 · A/R IXC's	14,059.33
Total Accounts Receivable	28,499.80
Other Current Assets	
1406.00 · Pay Phone	2,822.86
1406.01 · DSL Asset	17,044.40
1410.10 · Other Assest - RUS Loan Fee	12,000.00
1410.15 · Accum Amort - RUS Loan Fee	-8,000.00
Total Other Current Assets	23,867.26
Total Current Assets	109,215.17
Fixed Assets	
2003.00 · Construction in Progress	
2003150 · 2003-2014-5 Towers	1,773.33
2003324 · WO NPS Right of Way Permit	4,760.19
2003715 · Septic & Wells Install Stehekin	32.22
Total 2003.00 · Construction in Progress	6,565.74
2003717 · Holden School PProject	69.62
2110.00 · Other Fixed Assets	
2110.10 · Land	136,659.55
2110.30 · Office Equipment	15,989.78
2110.40 · Motor Vehicles	
2110.42 · 2004 GMC Canyon Pickup	23,298.07
2110.43 · 1998 Durango	6,105.00
2110.50 · 2013 GMC Arcadia	43,177.80
Total 2110.40 · Motor Vehicles	72,580.87
2110.60 · Computer Equipment	17,865.49
2210.00 · Central Office - Switching	517,361.23
Total 2110.00 · Other Fixed Assets	760,456.92
2110.20 · Buildings	411,457.19
2114.00 · Tools and Other Equipment	20,010.95
2230.10 · COE Transmission - Trunk Carrie	372,145.06
2230.20 · COE Transmission - Subscriber C	457,255.80
2410.40 · Outside Plant	277,880.35
Total Fixed Assets	2,305,841.63
Other Assets	
1406.10 · Nonregulated Accum Depreciation	-543.38
3110.00 · Accumulated Depreciated	-1,532,215.87
Total Other Assets	-1,532,759.25
TOTAL ASSETS	882,297.55
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	

WeavTel
Balance Sheet
 As of December 31, 2015

	Dec 31, 15
Accounts Payable	
4000.00 · Accounts Payable	480,610.27
Total Accounts Payable	480,610.27
Credit Cards	
4140.00 · Wells Fargo CC 0854	9,892.95
Total Credit Cards	9,892.95
Other Current Liabilities	
2100.00 · Payroll Liabilities	886.56
2200 · Sales Tax Payable	890.58
4080.00 · Property Tax Liability	2,056.00
4080.10 · CLEC-Tax & Surcharge Liability	715.34
4080.20 · Taxes & Surcharge Liability	5,221.90
4120.00 · Acrued Interest	615,961.69
4131.00 · Payroll TX Liabilities	
4131.10 · Payroll Taxes Liability	-118.21
4131.00 · Payroll TX Liabilities - Other	1,834.32
Total 4131.00 · Payroll TX Liabilities	1,716.11
4250.00 · Current Portion	1,387,564.00
4255.00 · Current Portion - Contra	-1,387,564.00
Total Other Current Liabilities	627,448.18
Total Current Liabilities	1,117,951.40
Long Term Liabilities	
4200.00 · LTD - Loans	
4200.10 · LTD - RUS Loan	1,340,396.00
4200.25 · LTD - Great Plains Capital Corp	294,853.06
4200.30 · LTD - Richard Weaver	14,180.50
4200.40 · LTD - Rick Weaver	4,200.00
4200.60 · Wells Fargo Line of credit	63,598.97
4200.70 · CVB - Auto Loan	27,129.70
Total 4200.00 · LTD - Loans	1,744,358.23
Total Long Term Liabilities	1,744,358.23
Total Liabilities	2,862,309.63
Equity	
1110 · Retained Earnings	-1,377,697.77
4510.00 · Member's Equity	
4510.10 · Member's Equity - RJW	-393,071.52
4510.50 · Member's Equity - Jim Wilifers	-131,023.83
Total 4510.00 · Member's Equity	-524,095.35
Net Income	-78,218.96
Total Equity	-1,980,012.08
TOTAL LIABILITIES & EQUITY	882,297.55

USDA-RUS

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.

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER NAME

Westgate Communications, LLC

EXHIBIT 6

TRUCTIONS-Submit report to RUS within 30 days after close of the period. detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING
December, 2015

BORROWER DESIGNATION
WA0547

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
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and Equivalents	3,474	56,848	25. Accounts Payable	506,102	490,578
Cash-RUS Construction Fund			26. Notes Payable	79,330	63,598
Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable	6,309	11,490	28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt	234,564	530,123
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	49,125	17,010	32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	6,915	10,600
c. Notes Receivable			34. Other Current Liabilities	557,958	619,002
Interest and Dividends Receivable		0	35. Total Current Liabilities (25 thru 34)	1,384,869	1,713,901
Material-Regulated			LONG-TERM DEBT		
Material-Nonregulated			36. Funded Debt-RUS Notes	1,153,000	810,273
Prepayments	3,240	0	37. Funded Debt-RTB Notes		
Other Current Assets			38. Funded Debt-FFB Notes		
Total Current Assets (1 Thru 9)	62,148	85,348	39. Funded Debt-Other	306,282	340,363
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
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		
Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		0
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	1,459,282	1,150,636
Nonregulated Investments	2,280	19,324	OTHER LIAB. & DEF. CREDITS		
Other Noncurrent Assets	4,000	4,000	47. Other Long-Term Liabilities		
Deferred Charges			48. Other Deferred Credits		
Jurisdictional Differences			49. Other Jurisdictional Differences		
Total Noncurrent Assets (11 thru 16)	6,280	23,324	50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
Telecom, Plant-in-Service	2,230,226	2,299,206	51. Cap. Stock Outstand. & Subscribed		
Property Held for Future Use			52. Additional Paid-in-Capital		
Plant Under Construction	3,386	6,636	53. Treasury Stock		
Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
Less Accumulated Depreciation	1,388,808	1,532,216	55. Other Capital		
Net Plant (18 thru 21 less 22)	844,804	773,626	56. Patronage Capital Credits		
TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	(1,930,919)	(1,982,239)
			58. Total Equity (51 thru 57)	(1,930,919)	(1,982,239)
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		
	913,232	882,298		913,232	882,298

Total Equity = 24.67% % of Total Assets

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

WA0547

PERIOD ENDING

December, 2015

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	20,997	21,521
2. Network Access Services Revenues	410,971	517,119
3. Long Distance Network Services Revenues	2,994	3,553
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues	21,379	23,837
6. Uncollectible Revenues	274	0
7. Net Operating Revenues (1 thru 5 less 6)	456,067	566,030
8. Plant Specific Operations Expense	218,373	270,247
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	13,390	24,706
10. Depreciation Expense	165,878	143,408
11. Amortization Expense	750	0
12. Customer Operations Expense	30,794	20,833
13. Corporate Operations Expense	116,362	107,371
14. Total Operating Expenses (8 thru 13)	545,547	566,565
15. Operating Income or Margins (7 less 14)	(89,480)	(535)
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes	2,938	8,199
20. Total Operating Taxes (17+18+19)	2,938	8,199
21. Net Operating Income or Margins (15+16-20)	(92,418)	(8,734)
22. Interest on Funded Debt	141,176	74,203
23. Interest Expense - Capital Leases		
24. Other Interest Expense	3,484	2,751
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	144,660	76,954
27. Nonoperating Net Income	36,748	
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	7,990	5,286
31. Total Net Income or Margins (21+27+28+29+30-26)	(192,340)	(80,402)
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	(1,830,203)	(1,930,919)
34. Miscellaneous Credits Year-to-Date	91,624	29,082
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	(1,930,919)	(1,982,239)
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	30,381	16,200
45. Cash Ratio [(14+20-10-11) / 7]	0.8373	0.7621
46. Operating Accrual Ratio [(14+20+26) / 7]	1.5198	1.1514
47. TIER [(31+26) / 26]	-0.3296	-0.0448
48. DSCR [(31+26+10+11) / 44]	3.9152	8.6395

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

WA0547

PERIOD ENDED

December, 2015

INSTRUCTIONS - See RUS Bulletin 1744-2

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)
Stehekin	35.00	25.00	35	31	66	1,074.00	924.00
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			35	31	66	1,074.00	924.00
No. Exchanges	1						

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

WA0547

PERIOD ENDED

December, 2015

INSTRUCTIONS - See RUS Bulletin 1744-2

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)
Stehekin	66	21	9	512	256	45.00	Package	Wireless (unlicensed)
Total	66	21						

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

WA0547

PERIOD ENDING

December, 2015

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees 0	2. No. Other Employees 1	3. Square Miles Served 150	4. Access Lines per Square Mile .44	5. Subscribers per Route Mile .06
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PART E. TOLL DATA

1. Study Area ID Code(s) a. 520580 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)			
	Interstate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	
	Intrastate:	<input type="checkbox"/> Average Schedule	<input checked="" type="checkbox"/> Cost Basis	

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)	68,980
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	68,980

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				
2. Investment in Affiliated Companies - Nonrural Development					

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

WA0547

PERIOD ENDING

December, 2015

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	15.00%
7. Land and support assets - General purpose computers	25.00%
8. Central Office Switching - Digital	9.00%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	13.00%
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	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	6.00%
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

USDA-RUS

BORROWER DESIGNATION

WA0547

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

PERIOD ENDED

December, 2015

INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	3,474
CASH FLOWS FROM OPERATING ACTIVITIES		
2.	Net Income	(80,402)
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add: Depreciation	143,408
4.	Add: Amortization	0
5.	Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>		
6.	Decrease/(Increase) in Accounts Receivable	26,934
7.	Decrease/(Increase) in Materials and Inventory	0
8.	Decrease/(Increase) in Prepayments and Deferred Charges	3,240
9.	Decrease/(Increase) in Other Current Assets	0
10.	Increase/(Decrease) in Accounts Payable	(15,524)
11.	Increase/(Decrease) in Advance Billings & Payments	0
12.	Increase/(Decrease) in Other Current Liabilities	64,725
13.	Net Cash Provided/(Used) by Operations	142,385
CASH FLOWS FROM FINANCING ACTIVITIES		
14.	Decrease/(Increase) in Notes Receivable	0
15.	Increase/(Decrease) in Notes Payable	(15,732)
16.	Increase/(Decrease) in Customer Deposits	0
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(13,087)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	0
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) Adjustments related to prior periods	29,082
23.	Net Cash Provided/(Used) by Financing Activities	263
CASH FLOWS FROM INVESTING ACTIVITIES		
24.	Net Capital Expenditures (Property, Plant & Equipment)	(72,230)
25.	Other Long-Term Investments	(17,044)
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explain)	
28.	Net Cash Provided/(Used) by Investing Activities	(89,274)
29.	Net Increase/(Decrease) in Cash	53,374
30.	Ending Cash	56,848

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0547
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0547
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

Exhibit 7

**Corporate Operations Expense Adjustment and Certification
As Required in WAC 480-123-110(e)(vi)**

I, **Richard J. Weaver** , an officer of **Westgate Communications LLC dba WeavTel** with personal knowledge and responsibility, under penalty of perjury, hereby certify that no corporate operations adjustment(s) to existing high-cost loop and/or interstate common line support mechanisms, as required by the Federal Communications Commission applied to the Company in 2015 and 2014.

Dated this **29th day of July**, 2016

A handwritten signature in blue ink that reads "Richard J. Weaver". The signature is written in a cursive style.

Richard J. Weaver
General Manager

EXHIBIT 8

FINANCIAL ACCOUNTING CERTIFICATE

I, Richard J. Weaver, an officer of Westgate Communications LLC dba WeavTel, with personal knowledge and responsibility, based upon my discussions with the outside consultants retained by the Company to handle such matters, under penalty of perjury, state that the Company complies with state and federal accounting, cost allocation and cost adjustment rules pertaining to incumbent local exchange companies.

Dated this 29th day of July, 2016.



Richard J. Weaver
General Manager