

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2018

<010> Study Area Code	522419
<015> Study Area Name	HOOD CANAL TEL CO
<020> Program Year	2019
<030> Contact Name: Person USAC should contact with questions about this data	Richard Buechel
<035> Contact Telephone Number: Number of the person identified in data line <030>	3608982481 ext.204
<039> Contact Email Address: Email of the person identified in data line <030>	rbuechel@hcc.net
Form Type	54.313 and 54.422

**(200) Service Outage Reporting (Voice)
Data Collection Form**

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<039> Contact Email Address - Email Address of person identified in data line <030> rbuechel@hcc.net

<210> For the prior calendar year, were there any reportable voice service outages?

<220> _____

<a> NORS Reference Number	<b1> Outage Start Date	<b2> Outage Start Time	<b3> Outage End Date	<b4> Outage End Time	<c1> Number of Customers Affected	<c2> Total Number of Customers	<d> 911 Facilities Affected (Yes / No)	<e> Service Outage Description (Check all that apply)	<f> Did This Outage Affect Multiple Study Areas (Yes / No)	<g> Service Outage Resolution	<h> Preventative Procedures

(400) Number of Complaints per 1,000 customers
Data Collection Form

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<035>	Contact Telephone Number - Number of person identified in data line	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line	rbuechel@hcc.net
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	
<410>	Complaints per 1000 customers for fixed voice	
<420>	Complaints per 1000 customers for mobile voice	

**(500) Compliance With Service Quality Standards and Consumer Protection Rules
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<hr/>	
<515> Certify compliance with applicable minimum service standards	

(600) Functionality in Emergency Situations
Data Collection FormFCC Form 481
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<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	522419wa610.pdf

Line 610
Statement Demonstrating Functionality
In Emergency Situations

At line 600 of FCC Form 481, Hood Canal Telephone Co., Inc. (“Hood Canal”) certified that it is able to function in emergency situations as set forth in 47 C.F.R § 54.202(a)(2). This means that Hood Canal has reasonable amount of back-up power to ensure functionality without an external source, is able to reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergency situations. This statement will detail how Hood Canal is prepared to ensure continued service in an emergency situation.

Hood Canal has a back-up generator available with a minimum of an eight hour power supply for its central office. In addition, it has portable generators available for remote sites.

Hood Canal has route redundancy for long distance service, E-911 trunking and SS7 signaling trunking.

Hood Canal's outside plant is designed, engineered and built with sufficient capacity to handle traffic spikes resulting from emergency situations and has been able to do so in the past. Hood Canal is in an area where severe weather strikes periodically and has been able to handle communication needs at those times and has the experience from those situations to be able handle such emergency situations in the future.

In the case of isolated groups of customers that may suffer damage due to a cable cut, Hood Canal maintains sufficient staff and other resources to be able to put customers back in service in a very short amount of time. Hood Canal's emergency service equipment is located within its exchange and requires very little time to dispatch.

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<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(5) includes:

- <921>** Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922>** Feasibility and sustainability planning;
- <923>** Marketing services in a culturally sensitive manner;
- <924>** Compliance with Rights of way processes
- <925>** Compliance with Land Use permitting requirements
- <926>** Compliance with Facilities Siting rules
- <927>** Compliance with Environmental Review processes
- <928>** Compliance with Cultural Preservation review processes
- <929>** Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

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<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance

Name of Attached Document

<1020> Broadband comparability certification

Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

Name of Attached Document

<1030> Attach detailed description for broadband comparability compliance

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

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<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<1140> Alaska Plan rate-of-return certification (yes, no, or not applicable) of compliance with approved performance plan.

**(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form**

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<035>	Contact Telephone Number - Number of person identified in data line <030>	Richard Buechel 3608982481 ext..204
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

522419wa1200.pdf

Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website

HTTP <https://www.hcc.net/phone/>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221>** Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222>** Details on the number of minutes provided as part of the plan,
- <1223>** Additional charges for toll calls, and rates for each such plan.

HOOD CANAL TELEPHONE CO., INC.
522419

Line 1222 Details on the number of minutes provided as part of the plan.

Hood Canal only provides its lifeline customers a flat rate local service. There is no measured local service provided, so the number of minutes provided is not necessary.

Line 1223 Additional charges for toll calls, and rates for each such plan.

Hood Canal does provide access to toll service providers to its lifeline customers. The lifeline customer has to choose its own toll service provider, so no additional charges are noted or required by Hood Canal.

(2005) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

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Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR 54.313(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2017.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

Name of Attached Document Listing Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

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CAF BLS Reporting

- (3008A) Please indicate whether new locations were deployed during the prior calendar year. (Yes/No) Yes
- (3008B) Please enter the number of new locations deployed in the prior calendar year associated with each of the following speed tiers.
- (3008B1) Number of newly built locations with access to broadband speeds of at least 10/1 Mbps but less than 25/3 Mbps. 1
- (3008B2) Number of newly built locations with access to broadband speeds of 25/3 Mbps or higher. 56
- (3008C) Please provide the percentage of deployment across the entire study area. 93

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Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)		
(3010A)	Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)}	Yes - Attach Certification	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	522419wa3010b.pdf
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(iii)}	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3015)	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	522419wa3017.pdf
(3018)	If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	(Yes/No)	<input type="radio"/> <input type="radio"/>
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/>
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	

(3005) Rate Of Return Carrier Additional Documentation (Continued)
 Data Collection Form

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Financial Data Summary	
(3027) Revenue	1806867
(3028) Operating Expenses	3397405
(3029) Net Income	892694
(3030) Telephone Plant In Service(TPIS)	7652604
(3031) Total Assets	8936554
(3032) Total Debt	1164464
(3033) Total Equity	6398811
(3034) Dividends	0




Cable TV - Voice - Broadband - Cellular

July 1, 2018

To: Commission Secretary, Office of Secretary
Federal Communications Commission
445 – 12th Street, SW
Room TW-A325
Washington, DC 20554

Re: FCC Form 481
47 CFR 54.313(f)(1)(i)
Milestone Certification
Hood Canal Telephone Co., Inc.
Union, Washington
Study Area Code 522419

Hood Canal Telephone Co., Inc., SAC 522419, hereby certifies as required by 47 CFR 54.313 (f)(1)(i) for the FCC Form 481 program year 2019 that it is taking reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such services are met within a reasonable amount of time.

By: 
Richard Buechel
President

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	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. BORROWER NAME Hood Canal Telephone Co., Inc. (Prepared with Audited Data)
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INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2017	BORROWER DESIGNATION WA0541
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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		
1. Cash and Equivalents	963,384	1,625,224	25. Accounts Payable	459,163	348,950
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits	68,804	72,944
b. Other Accounts Receivable	160,618	83,615	29. Current Mat. L/T Debt	286,100	269,000
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	424,666	576,058	32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	96,317	110,683
c. Notes Receivable	10,000	10,200	34. Other Current Liabilities	570,137	701,520
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	1,480,521	1,503,097
6. Material-Regulated	173,669	202,001	LONG-TERM DEBT		
7. Material-Nonregulated	173,264	170,082	36. Funded Debt-RUS Notes	917,387	809,956
8. Prepayments	67,966	107,415	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	1,973,567	2,774,595	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan	263,695	85,508
11. 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		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	143,780	151,462	46. Total Long-Term Debt (36 thru 45)	1,181,082	895,464
13. Nonregulated Investments	4,566,988	4,422,304	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	368,792	358,568	47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits	185,269	139,182
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	5,079,560	4,932,334	50. Total Other Liabilities and Deferred Credits (47 thru 49)	185,269	139,182
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	7,542,150	7,652,604	51. Cap. Stock Outstand. & Subscribed	50,000	50,000
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	303,033	148,856	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	6,545,321	6,571,835	55. Other Capital	515,689	515,689
23. Net Plant (18 thru 21 less 22)	1,299,862	1,229,625	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	4,940,428	5,833,122
	8,352,989	8,936,554	58. Total Equity (51 thru 57)	5,506,117	6,398,811
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	8,352,989	8,936,554

Total Equity = 71.60% % of Total Assets

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

WA0541

PERIOD ENDING

December, 2017

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	204,036	203,329
2. Network Access Services Revenues	1,694,559	1,377,959
3. Long Distance Network Services Revenues	232,418	233,978
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues	20,529	18,920
6. Uncollectible Revenues	(887)	27,319
7. Net Operating Revenues (1 thru 5 less 6)	2,152,429	1,806,867
8. Plant Specific Operations Expense	1,463,142	1,466,016
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	210,145	217,726
10. Depreciation Expense	392,209	233,795
11. Amortization Expense	6,560	6,560
12. Customer Operations Expense	680,631	653,950
13. Corporate Operations Expense	873,014	819,358
14. Total Operating Expenses (8 thru 13)	3,625,701	3,397,405
15. Operating Income or Margins (7 less 14)	(1,473,272)	(1,590,538)
16. Other Operating Income and Expenses		
17. State and Local Taxes	123,302	126,501
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)	123,302	126,501
21. Net Operating Income or Margins (15+16-20)	(1,596,574)	(1,717,039)
22. Interest on Funded Debt	54,441	42,674
23. Interest Expense - Capital Leases		
24. Other Interest Expense	3,823	3,441
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	58,264	46,115
27. Nonoperating Net Income	3,069	118,189
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	1,959,202	2,537,659
31. Total Net Income or Margins (21+27+28+29+30-26)	307,433	892,694
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	4,632,995	4,940,428
34. Miscellaneous Credits Year-to-Date		
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)]	4,940,428	5,833,122
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	350,823	345,392
45. Cash Ratio [(14+20-10-11) / 7]	1.5565	1.8173
46. Operating Accrual Ratio [(14+20+26) / 7]	1.7688	1.9758
47. TIER [(31+26) / 26]	6.2766	20.3580
48. DSCR [(31+26+10+11) / 44]	2.1791	3.4140

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0541

PERIOD ENDED

December, 2017

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)
Union	19.50	18.00	157	564	721	126.69	29.64
MobileWireless					0		
Route Mileage Outside Exchange Area						370.19	283.19
Total			157	564	721	496.88	312.83
No. Exchanges	1						

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0541

PERIOD ENDED

December, 2017

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)
Union	729	976	47	6,000	768	39.95	StandAlone	DSL
Total	729	976						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0541
	PERIOD ENDING December, 2017

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees 17	2. No. Other Employees 21	3. Square Miles Served 16	4. Access Lines per Square Mile 45.06	5. Subscribers per Route Mile 1.45
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PART E. TOLL DATA

1. Study Area ID Code(s) a. 522419 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
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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)	1,014,863
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	1,014,863

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	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development	0	0	0	0	0

USDA-RUS
**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

WA0541

PERIOD ENDING

December, 2017

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	17.31%
7. Land and support assets - General purpose computers	18.00%
8. Central Office Switching - Digital	9.59%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
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	7.59%
19. Cable and wire facilities - Aerial cable - Metal	20.40%
20. Cable and wire facilities - Aerial cable - Fiber	7.11%
21. Cable and wire facilities - Underground cable - Metal	6.00%
22. Cable and wire facilities - Underground cable - Fiber	5.00%
23. Cable and wire facilities - Buried cable - Metal	6.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	4.35%
26. Cable and wire facilities - Other	

USDA-RUS

BORROWER DESIGNATION

WA0541

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

PERIOD ENDED

December, 2017

INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	963,384
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	892,694
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	233,795
4. Add: Amortization	6,560
5. Other (Explain) Reclassification of depreciation, deposits, deferred credits, advances, etc.	862,797
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	(74,389)
7. Decrease/(Increase) in Materials and Inventory	(25,150)
8. Decrease/(Increase) in Prepayments and Deferred Charges	(39,449)
9. Decrease/(Increase) in Other Current Assets	0
10. Increase/(Decrease) in Accounts Payable	(110,213)
11. Increase/(Decrease) in Advance Billings & Payments	0
12. Increase/(Decrease) in Other Current Liabilities	145,749
13. Net Cash Provided/(Used) by Operations	1,892,394
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	(200)
15. Increase/(Decrease) in Notes Payable	0
16. Increase/(Decrease) in Customer Deposits	4,140
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(302,718)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	(46,087)
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) Reclassification of deposit, deferred credits and change in investment note	42,147
23. Net Cash Provided/(Used) by Financing Activities	(302,718)
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	43,723
25. Other Long-Term Investments	137,002
26. Other Noncurrent Assets & Jurisdictional Differences	10,224
27. Other (Explain) Remove retirement from line 24, reclassification of depreciation, advances, etc.	(1,118,785)
28. Net Cash Provided/(Used) by Investing Activities	(927,836)
29. Net Increase/(Decrease) in Cash	661,840
30. Ending Cash	1,625,224

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0541
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2017
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	
Part C. 4. column e, the advertised upload speed is actually 1,000 kbps not 768 kbps. There was no option to select 1,000 kbps, so chose the 768 kbps option.	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0541
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2017
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations and provide a list of newly served community anchor institutions.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission’s public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas.

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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<010> Study Area Code	522419
<015> Study Area Name	HOOD CANAL TEL CO
<020> Program Year	2019
<030> Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035> Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039> Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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<010>	Study Area Code	522419
<015>	Study Area Name	HOOD CANAL TEL CO
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Richard Buechel
<035>	Contact Telephone Number - Number of person identified in data line <030>	3608982481 ext.204
<039>	Contact Email Address - Email Address of person identified in data line <030>	rbuechel@hcc.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I certify that (Name of Agent) <u>Johnson, Stone & Pagano, P.S.</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.</p>	
Name of Authorized Agent:	Johnson, Stone & Pagano, P.S.
Name of Reporting Carrier:	HOOD CANAL TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 07/09/2018
Printed name of Authorized Officer:	Richard Buechel
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	3608982481 ext.204
Study Area Code of Reporting Carrier:	522419 Filing Due Date for this form: 07/16/2018
<p style="font-size: small;">Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</p>	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.</p>	
Name of Reporting Carrier:	HOOD CANAL TEL CO
Name of Authorized Agent Firm:	Johnson, Stone & Pagano, P.S.
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 07/09/2018
Name of Authorized Agent Employee:	Jenifer Wasnock
Title or position of Authorized Agent or Employee of Agent:	Consultant
Telephone number of Authorized Agent or Employee of Agent:	2535667070 ext.278
Study Area Code of Reporting Carrier:	522419 Filing Due Date for this form: 07/16/2018
<p style="font-size: small;">Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</p>	