

HAT ISLAND TELEPHONE COMPANY

July 1, 2017

**BY ELECTRONIC FILING
VIA WUTC WEB PORTAL**

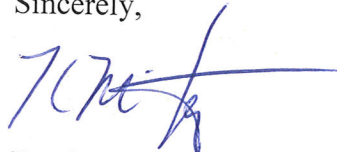
Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Docket No. UT-160962 -
Hat Island Telephone Company -
Washington Universal Communications Services Program -
WAC 480-123-130 (1)(a) through (1)(h)

On behalf of Hat Island Telephone Company ("Company"), accompanying this letter for filing by the Washington Utilities and Transportation Commission are the reports and certification required by WAC 480-123-130 (1)(a) through (1)(h) with respect to funds received by the Company from the Washington Universal Communications Services Program during the calendar year 2016.

If the Commission has any questions regarding the enclosed materials, please do not hesitate to call me at 360/321-0088.

Sincerely,



Frank McIntyre
Secretary/Treasurer

Accompanying Document

REPORT OF HAT ISLAND TELEPHONE COMPANY UNDER THE
WASHINGTON UNIVERSAL SERVICE COMMUNICATIONS PROGRAM
IN COMPLIANCE WITH WAC 480-123-130

July 1, 2017

Docket No. UT-160962

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

	January 1, 2016	December 31, 2016
Residential	55	42
Business	11	11

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

The funds received by the Company from the universal service communications program in calendar year 2016 represents 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) CAF ICC Program. As such, the funds from the universal service communications program contributed to the ongoing operation and maintenance expenses of the Company. The funds from the universal service communication 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 \$2,934 from the universal service communications program for the fiscal year ending June 30, 2017 which represents monies that the Company formerly received through the WECA pooling process and the reduction of support under the FCC's CAF ICC Program.

During the first six months of 2017 the Company did not undertake any capital projects, but incurred \$67,908 in operating expenses relating to the maintenance of the network and provisioning of the services. The funds received from the universal service communications program can be viewed as contributing to the Company's ability to perform this work including, without limitation, the repayment of loan funds. In the second half of 2017 the Company plans to continue to upgrade the existing network and is reviewing options to bring more fiber connectivity to the service area or to expand the

VDSL technology previously deployed. The projected cost of either alternative will be in excess of \$5,000.

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 while continuing to provide high-quality basic telecommunications service to the customers that are located within the area that the Company serves. The funds received from the universal communications program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

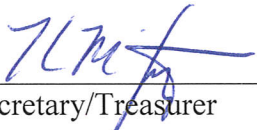
6. WAC 480-123-130(1)(g) and (h) - Other information

N/A

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

I, Frank McIntyre, am an officer of Hat Island Telephone Company, and upon personal knowledge and with responsibility therefore, hereby certify under penalty of perjury, that Hat Island Telephone Company 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 service communications program support.

Signed at LANGLEY, Washington this 26 day of June, 2016.


Secretary/Treasurer