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

8 IN RE

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10 PETITION OF MCDANIEL TELEPHONE  
11 COMPANY D/B/A TDS TELECOM TO  
12 RECEIVE SUPPORT FROM THE  
13 UNIVERSAL SERVICE  
COMMUNICATIONS PROGRAM

DOCKET NO.

PETITION FOR SUPPORT

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15 COMES NOW McDaniel Telephone Company d/b/a TDS Telecom (the "Company") and,  
16 pursuant to Chapter 480-123 of the Washington Administrative Code ("WAC"), including, but not  
17 limited to, WAC 480-123-110, hereby petitions the Washington Utilities and Transportation  
18 Commission (the "Commission") to receive support from the Universal Service Communications  
19 Program (the "Program") for the Program year 2015.

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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 MCDANIEL TELEPHONE  
COMPANY TO RECEIVE SUPPORT FROM  
THE UNIVERSAL SERVICE  
COMMUNICATIONS PROGRAM - 1

- 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) or has been designated as an incumbent local exchange carrier by  
3 the Federal Communications Commission.
- 4 3. WAC 480-123-100(1)(c): The Company offers basic residential and business exchange  
5 telecommunications services as set forth in WAC 480-120-021 and RCW 80.36.630.
- 6 4. WAC 480-123-100(1)(d): The Company's rates for residential local exchange service, plus  
7 mandatory extended area service charges, are no lower than the local urban rate floor  
8 established by the Commission as the benchmark rate based on the Federal Communications  
9 Commission's national local urban rate floor pursuant to 47 C.F. R. Sec. 54.318 in effect on  
10 the date of this Petition.
- 11 5. WAC 480-123-100(1)(e): The Company has been designated by the Commission as an  
12 eligible telecommunications carrier for purposes of receiving federal universal service  
13 support pursuant to 47 C.F.R. Part 54 Subpart D - Universal Service Support for High Cost  
14 Areas with respect to the service areas for which the Company is seeking Program support.

15 **II. Demonstration of Eligibility under WAC 480-123-110**

- 16 1. WAC 480-123-110(1)(a): The name of the legal entity that provides communications  
17 services and is seeking Program support is as follows: McDaniel Telephone Company d/b/a  
18 TDS Telecom.
- 19 2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between  
20 the Company and all affiliates as defined in RCW 80.16.010 that the Company had  
21 transactions with during 2013 is attached hereto as Exhibit 1. A detailed description of any  
22 transactions between the Company and the affiliates named in Exhibit 1 recorded in the  
23 Company's operating accounts is attached hereto as Exhibit 2.

- 1 3. WAC 480-123-110(1)(c): A service area map for the Company can be found in the  
2 Company's tariff WN U-4, Schedule 14, Original Sheets 150-152.
- 3 4. WAC 480-123-110(1)(d): A demonstration that the Company's customers are at risk of rate  
4 instability or service interruption or cessation in the absence of support from the Program is  
5 attached as Exhibit 3.
- 6 5. WAC 480-123-110(1)(e)(i): On the Commission's prescribed form, attached as Exhibit 4,  
7 are copies of the Company's balance sheet as of December 31, 2013, and December 31,  
8 2012, and copies of the Company's statements of income and retained earnings or margin for  
9 the years ended December 31, 2013, and December 31, 2012.
- 10 6. WAC 480-123-110(1)(e)(ii): A copy of the Company's audited consolidated annual  
11 financial statements for the years ended December 31, 2012, and December 31, 2013, are  
12 attached as Exhibit 5 and were taken from the 2013 10-K.
- 13 7. WAC 480-123-110(1)(e)(iii): Information demonstrating the Company's earned rate of  
14 return on a total Washington unseparated regulated operations basis for each of the two prior  
15 years, calculated in the manner prescribed by the Commission, is provided in Exhibit 4.
- 16 8. WAC 480-123-110(1)(e)(iv): Information demonstrating the Company's earned return on  
17 equity on a total company (regulated and non-regulated) Washington basis for each of the  
18 two prior years, calculated in the manner prescribed by the Commission, is provided in  
19 Exhibit 4.
- 20 9. WAC 480-123-110(1)(e)(v): Information detailing all of the Company's revenues from the  
21 statements of income and retained earnings or margin section in the same format and detail  
22 as is required to complete RUS Form 479 for the prior two years is attached as Exhibit 6.
- 23 10. WAC 480-123-110(1)(e)(vi): A statement under penalty of perjury from a Company officer  
24 with personal knowledge and responsibility certifying that no corporate operations  
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1 adjustment to existing high-cost loop and interstate common line support mechanisms  
2 required by the Federal Communications Commission applied to the Company for the two  
3 prior years is attached hereto as Exhibit 7.

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

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

10 13. WAC 480-123-110(1)(f): A complete copy of the FCC Form 481 filed by the Company or  
11 on its behalf with the Federal Communications Commission for the calendar year preceding  
12 the current year has already been filed with the Commission. See the Company's filing in  
13 Docket No. UT-143013 filed on or about July 1, 2014.

14 14. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by  
15 the Company as of December 31, 2013, was 3,010. The number of residential local  
16 exchange access lines served by the Company as of December 31, 2012, was 3,107. The  
17 number of business local exchange access lines served by the Company as of December 31,  
18 2013, was 512. The number of business local exchange access lines served by the Company  
19 as of December 31, 2012, was 522. The monthly recurring rate charged by the Company for  
20 residential local exchange access service on December 31, 2013, was \$14.30. The monthly  
21 recurring rate charged by the Company for residential local exchange access service on  
22 December 31, 2012, was \$14.30. The rate charged by the Company for single line business  
23 local exchange access service on December 31, 2013, was \$20.50. The rate charged by the  
24 Company for single line business local exchange access service on December 31, 2012, was  
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\$20.50. (The Company has other business local exchange service rates, but the Company understands that WAC 480-123-110(1)(g) is requesting the single line business local exchange access service rate.)

15. WAC 480-123-110(1)(h): The requested statement is attached as Exhibit 9.

16. All exhibits attached hereto are incorporated into this Petition as though fully set forth.

Respectfully submitted this 30th day of July, 2014.

MCDANIEL TELEPHONE COMPANY

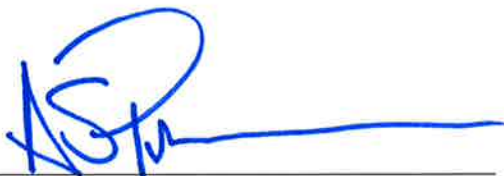
By 

Gail Long  
Manager - State Government Affairs

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CERTIFICATION

I, Andrew S. Petersen, 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.



Andrew S. Petersen  
VP-External Affairs & Communications