

REDACTED FILING

VIA ELECTRONIC FILING SYSTEM



August 1, 2017

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

RE: 2017 Petition to Receive USF Support

Dear Mr. King:

Westgate Communications LLC d/b/a WeavTel ("WeavTel") (SAC 520580), a privately-held rate of return carrier receiving high cost support, respectfully submits to the Washington Utilities and Transportation Commission its petition for eligibility to receive program support from the Universal Communications Services Program for the fiscal year ending June 30, 2018.

WeavTel, by its authorized representative, respectfully submits confidential information in compliance with WAC 480-07-160. WeavTel requests confidential treatment of certain information submitted with its annual reporting requirements as a privately-held rate of return carrier. The confidential information is required by WAC 480-123-110 and includes detailed financial information that is competitively sensitive. Disclosure of this confidential information would have a substantial negative impact on WeavTel. Such information would not normally be made available to the public for inspection because of the financial information and should be afforded confidential treatment under WAC 480-07-160.

As specified in WAC 480-07-140, copies of the redacted confidential information are being filed simultaneously with non-redacted confidential information. The redacted information for this filing and each page of the file where confidential information has been omitted is marked "REDACTED – FOR PUBLIC INSPECTION" and the confidential information is marked – "CONFIDENTIAL PER WAC 480-07-160".

Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tym Rutkowski'.

Tym Rutkowski
Authorized Representative for
Westgate Communications LLC d/b/a WeavTel

cc: Richard Weaver, Westgate Communications LLC d/b/a WeavTel

T (509) 747-2600
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601 W. Riverside Avenue
Suite 1800
Spokane, WA 99201

Assurance, tax, and consulting offered through
Moss Adams LLP. Wealth management offered through
Moss Adams Wealth Advisors LLC. Investment banking
offered through Moss Adams Capital LLC.

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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
14 COMMUNICATIONS SERVICES
15 PROGRAM

DOCKET NO.

PETITION FOR SUPPORT

16 COMES NOW Westgate Communications LLC [d/b/a WeavTel] (the "Company"), and,
17 pursuant to Chapter 480-123 of the Washington Administrative Code ("WAC") including, but not
18 limited to, WAC 480-123-110, hereby petitions the Washington Utilities and Transportation
19 Commission (the "Commission") to receive support from the State Universal Communications
20 Services Program established in RCW 80.36.650 (the "Program") for the fiscal year ending June 30,
21 2018.

22 **I. Demonstration of Eligibility under WAC 480-123-100**

- 23 1. WAC 480-123-100(1)(a): The Company is a local exchange company as defined in WAC
24 480-120-021 that serves less than forty thousand access lines within the state.
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PETITION OF WESTGATE COMMUNICATIONS LLC [D/B/A WEAVTEL]
TO RECEIVE SUPPORT
FROM THE STATE UNIVERSAL
COMMUNICATIONS SERVICES 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).
- 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 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 services
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 area for which the Company is seeking Program support.

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

- 18 1. WAC 480-123-110(1)(a): The name of the legal entity that provides communications
19 services and is seeking Program support is as follows Westgate Communications LLC [d/b/a
20 WeavTel].
- 21 2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between
22 the Company and all affiliates as defined in RCW 80.16.010 is attached hereto as Exhibit 1.

1 A detailed description of any transactions between the Company and the affiliates named in
2 Exhibit 1 recorded in the Company's operating accounts is attached hereto as Exhibit 2.

3 3. WAC 480-123-110(1)(c): A service area map for the Company can be found at Sheet No.
4 63 Revision No. 1 of the Company's Tariff WN U2.

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,
9 are copies of the Company's balance sheet as of December 31, 2016, and December 31,
10 2015, and copies of the Company's statements of income and retained earnings or margin for
11 the years ended December 31, 2016 and December 31, 2015.

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, 2016 and December 31, 2015, are 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
20 two prior years, calculated in the manner prescribed by the Commission, is provided in
21 Exhibit 5.
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1 9. WAC 480-123-110(1)(e)(v): Information detailing all of the Company's revenues from the
2 statements of income and retained earnings or margin in the same format and detail as is
3 required to complete RUS Form 479 for the prior two years is presented on Exhibit 6.

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

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

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

15 13. WAC 480-123-110(1)(f): A complete copy of the FCC Form 481 filed by the Company or
16 on its behalf with the Federal Communications Commission for the calendar year preceding
17 the current year has already been filed with the Commission. See the Company's filing in
18 Docket No. UT-160982 filed on or about July 3,2017.

19 14. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by
20 the Company as of December 31, 2016, was 31 all of which were within the geographic area
21 for which the Company is seeking support. The number of residential local exchange access
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1 lines served by the Company as of December 31, 2015, was 22, all of which were within the
2 geographic area for which the Company is seeking support.

3 The number of business local exchange access lines served by the Company as of December
4 31, 2016, was 22, all of which were within the geographic area for which the Company is
5 seeking support. The number of business local exchange access lines served by the
6 Company as of December 31, 2015, was 44, all of which were within the geographic area
7 for which the Company is seeking support.
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9 The monthly recurring rate charged by the Company for residential local exchange access
10 service on December 31, 2016, was \$25.00. The monthly recurring rate charged by the
11 Company for residential local exchange access service on December 31, 2015, was \$25.00.

12 The rate charged by the Company for single line business local exchange access service on
13 December 31, 2016, was \$35.00. The rate charged by the Company for single line business
14 local exchange access service on December 31, 2015, was \$35.00 (The Company has other
15 business local exchange service rates, but the Company understands that WAC 480-123-
16 110(1)(g) is requesting the single line business local exchange access service rate.)
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18 15. WAC 480-123-110(1)(h): The requested statement is attached as Exhibit 9.

19 16. The amount on Line 4, labeled 2011 ROR Carrier Base Period Revenue, of the CAF ICC
20 Data collection Report for the period 7/1/2017 - 6/30/2018 is \$314,249 and has not changed
21 from the last filing
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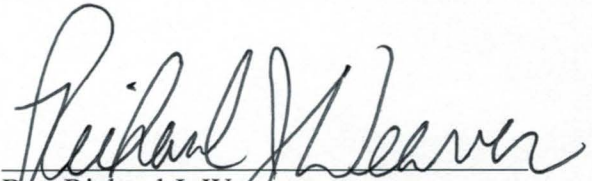
23 17. All exhibits attached hereto are incorporated in this Petition as though fully set forth.
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1 Respectfully submitted this 1st day of August, 2017.
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7 CERTIFICATION

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

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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
Westgate Communications LLC

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 \$358,624 during the period January 1, 2011 through December 31, 2016. Westgate Communications LLC (dba WeavTel) invested in telecommunications plant in earlier year with monies that it borrowed from the Rural Utilities Service (RUS). WeavTel had planned to use monies from high cost support to pay back the majority of its RUS debt. Because some of this support is no longer available or been significantly reduced, WeavTel needs additional revenue sources to meet its substantial debt obligations to cover the investments that have been made.

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 2016, the Company's total regulated revenue has increased by 15.95 percent from 2011 through 2016. However, WeavTel had actually projected higher regulated revenues to meet its RUS debt obligations and continue its plant build out to cover the entire Stehekin exchange. In addition, the Company has looked for ways to lower expenses. However, much of the Company's operating expenses are fixed obligations, such as RUS debt-related payments.

WeavTel has increased its access line counts every year since its inception. But again, due to less than projected high cost support, particularly from interstate sources, the planned plant build out has been significantly slowed. Since 2011, the Company has lost no net access lines. (In 2016, WeavTel did experience a temporary reduction in access lines but those lines were replaced by customer additions by August 2017.) Regardless, a loss of customers equates to a loss of revenue without a corresponding reduction in expenses or corresponding increase in rates. This trend of access line loss, which has not impacted WeavTel, is exacerbated by the Federal Communications Commission's requirement that the Company increase its rates to remain eligible for full federal USF support. Since 2012, the Company has increased its local exchange service rates, as necessary, in order to be in compliance with the national urban rate floor prescribed by the Federal Communications Commission. However, those increases have been insufficient to fully replace the revenues that have been lost because of regulatory changes to federal universal support mechanisms that have occurred since 2011.

As another 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

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,*

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, 2018, including reductions that will occur July 1, 2017, the Company has seen a reduction in support from the base line revenue of approximately \$83,247.

On top of all this, during the six-year period ended December 31, 2016, the Company has seen its total federal high cost support undergo a significant reduction, declining from \$117,516 in 2011 to \$97,778 in 2016.

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.

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*).

Company Name: (Below)
Westgate Communications, dba WeavTel

ASSETS	Balance End of Year 2015 (A)	Part 64 Adj to NonReg 2015 (B)	Adj. Balance End of Year 2015 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2015 (A)	Part 64 Adj to NonReg 2015 (B)	Adj. Balance End of Year 2015 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	56,848		56,848	25. Accounts Payable	490,578		490,578
2. Cash-RUS Construction Fund			0	26. Notes Payable	63,598		63,598
3. Affiliates:				27. Advance Billings and Payments			0
a. Telecom, Accounts Receivable	11,490		11,490	28. Customer Deposits			0
b. Other Accounts Receivable			0	29. Current Mat. L/T Debt	530,123		530,123
c. Notes Receivable			0	30. Current Mat. L/T Debt Rur. Dev.			0
4. Non-Affiliates:				31. Current Mat. - Capital Leases			0
a. Telecom, Accounts Receivable	17,010		17,010	32. Income Taxes Accrued			0
b. Other Accounts Receivable			0	33. Other Taxes Accrued	10,600		10,600
c. Notes Receivable			0	34. Other Current Liabilities	619,002		619,002
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	1,713,901	0	1,713,901
6. Material-Regulated			0	LONG-TERM DEBT			
7. Material-Nonregulated			0	36. Funded Debt-RUS Notes	810,273		810,273
8. Prepayments			0	37. Funded Debt-RTB Notes			0
9. Other Current Assets			0	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	85,348	0	85,348	39. Funded Debt-Other	340,363		340,363
				40. Funded Debt-Rural Develop. Loan			0
NONCURRENT ASSETS				41. Premium (Discount) on L/T Debt			0
11. Investment in Affiliated Companies				42. Reacquired Debt			0
a. Rural Development			0	43. Obligations Under Capital Lease			0
b. Nonrural Development			0	44. Adv. From Affiliated Companies			0
12. Other Investments				45. Other Long-Term Debt			0
a. Rural Development			0	46. Total Long-Term Debt (36 thru 45)	1,150,636	0	1,150,636
b. Nonrural Development			0	OTHER LIAB. & DEF. CREDITS			
13. Nonregulated Investments (B1)	19,324	18,401	37,725	47. Other Long-Term Liabilities			0
14. Other Noncurrent Assets	4,000		4,000	48. Deferred Income Taxes			0
15. Deferred Charges			0	49. Other Deferred Credits (D)			0
16. Jurisdictional Differences			0	50. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	23,324	18,401	41,725	51. Total Other Liab. & Def. Credits (47 thru 50)	0	0	0
				EQUITY			
PLANT, PROPERTY AND EQUIPMENT				52. Cap. Stock Outstanding & Subscribed			0
18. Telecom Plant-In-Service	2,299,206	(29,470)	2,269,736	53. Additional Paid-in-Capital			0
19. Property Held for Future Use			0	54. Treasury Stock			0
20. Plant Under Construction	6,636		6,636	55. Membership and cap. Certificates			0
21. Plant Adj., Nonop Plant & Goodwill			0	56. Other Capital			0
22. Accumulated Depreciation (CR.)	(1,532,216)	11,069	(1,521,147)	57. Patronage Capital Credits			0
23. Net Plant (18 thru 21 less 22)	773,626	(18,401)	755,225	58. Retained Earnings or Margins (B2)	(1,982,239)	0	(1,982,239)
				59. Total Equity (51 thru 58)	(1,982,239)	-	(1,982,239)
24. TOTAL ASSETS (10+17+23)	882,298	0	882,298	60. TOTAL LIABILITIES AND EQUITY (35+46+51+59)	882,298	0	882,298

Footnotes:
 (A) - As reported on RUS Form 479
 (B) - Part 64 adjustments from regulated to nonregulated.
 (C) - Adjusted Balance after Part 64

Footnotes:
 (B1) - Part 64 offset to nonreg investment
 (B2) - Part 64 offset to retained earnings
 (D) - Excludes deferred taxes

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
Current Year Balance Sheet

Company Name: (Below)
Westgate Communications, dba WeavTel

ASSETS	Balance End of Year 2016 (A)	Part 64 Adj to NonReg 2016 (B)	Adj. Balance End of Year 2016 (C)	LIABILITIES AND STOCKHOLDERS' EQUITY	Balance End of Year 2016 (A)	Part 64 Adj to NonReg 2016 (B)	Adj. Balance End of Year 2016 (C)
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash and Equivalents	50,869		50,869	25. Accounts Payable	441,677		441,677
2. Cash-RUS Construction Fund			0	26. Notes Payable	63,599		63,599
3. Affiliates:				27. Advance Billings and Payments	35,545		35,545
a. Telecom, Accounts Receivable	8		8	28. Customer Deposits			0
b. Other Accounts Receivable	36,493		36,493	29. Current Mat. L/T Debt	1,389,583		1,389,583
c. Notes Receivable			0	30. Current Mat. L/T Debt Rur. Dev.			0
4. Non-Affiliates:				31. Current Mat. - Capital Leases			0
a. Telecom, Accounts Receivable			0	32. Income Taxes Accrued			0
b. Other Accounts Receivable			0	33. Other Taxes Accrued	6,351		6,351
c. Notes Receivable			0	34. Other Current Liabilities	634,798		634,798
5. Interest and Dividends Receivable			0	35. Total Current Liabilities (25 thru 34)	2,571,553	0	2,571,553
6. Material-Regulated			0	LONG-TERM DEBT			
7. Material-Nonregulated			0	36. Funded Debt-RUS Notes	60,117		60,117
8. Prepayments	2,367		2,367	37. Funded Debt-RTB Notes			0
9. Other Current Assets			0	38. Funded Debt-FFB Notes			0
10. Total Current Assets (1 Thru 9)	89,737	0	89,737	39. Funded Debt-Other	155,726		155,726
				40. Funded Debt-Rural Develop. Loan			0
NONCURRENT ASSETS				41. Premium (Discount) on L/T Debt			0
11. Investment in Affiliated Companies				42. Reacquired Debt			0
a. Rural Development			0	43. Obligations Under Capital Lease			0
b. Nonrural Development			0	44. Adv. From Affiliated Companies			0
12. Other Investments				45. Other Long-Term Debt	1,768		1,768
a. Rural Development	2,500		2,500	46. Total Long-Term Debt (36 thru 45)	217,611	0	217,611
b. Nonrural Development			0	OTHER LIAB. & DEF. CREDITS			
13. Nonregulated Investments (B1)	13,737	46,222	59,959	47. Other Long-Term Liabilities			0
14. Other Noncurrent Assets			0	48. Deferred Income Taxes			0
15. Deferred Charges			0	49. Other Deferred Credits (D)			0
16. Jurisdictional Differences			0	50. Other Jurisdictional Differences			0
17. Total noncurrent Assets (11 thru 16)	16,237	46,222	62,459	51. Total Other Liab. & Def. Credits (47 thru 50)	0	0	0
				EQUITY			
PLANT, PROPERTY AND EQUIPMENT				52. Cap. Stock Outstanding & Subscribed			0
18. Telecom Plant-In-Service	2,322,450	(61,336)	2,261,114	53. Additional Paid-in-Capital			0
19. Property Held for Future Use			0	54. Treasury Stock			0
20. Plant Under Construction	66,862		66,862	55. Membership and cap. Certificates			0
21. Plant Adj., Nonop Plant & Goodwill			0	56. Other Capital			0
22. Accumulated Depreciation (CR.)	(1,659,324)	15,114	(1,644,210)	57. Patronage Capital Credits			0
23. Net Plant (18 thru 21 less 22)	729,988	(46,222)	683,766	58. Retained Earnings or Margins (B2)	(1,953,202)	0	(1,953,202)
				59. Total Equity (52 thru 58)	(1,953,202)	-	(1,953,202)
24. TOTAL ASSETS (10+17+23)	835,962	0	835,962	60. TOTAL LIABILITIES AND EQUITY (35+46+51+59)	835,962	0	835,962

Footnotes:

- (A) - As reported on RUS Form 479
(B) - Part 64 adjustments from regulated to nonregulated.
(C) - Adjusted Balance after Part 64

Footnotes:

- (B1) - Part 64 offset to nonreg investment
(B2) - Part 64 offset to retained earnings
(D) - Excludes deferred taxes

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
 Prior and Current Year Balance Sheet

Company Name: (Below)
Westgate Communications, dba WeavTel

ASSETS	Adjusted Prior Year Balance 2015	Adjusted Current Year Balance 2016	LIABILITIES AND STOCKHOLDERS' EQUITY	Adjusted Prior Year Balance 2015	Adjusted Current Year Balance 2016
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	56,848	50,869	25. Accounts Payable	490,578	441,677
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	63,598	63,599
3. Affiliates:			27. Advance Billings and Payments	0	35,545
a. Telecom, Accounts Receivable	11,490	8	28. Customer Deposits	0	0
b. Other Accounts Receivable	0	36,493	29. Current Mat. L/T Debt	530,123	1,389,583
c. Notes Receivable	0	0	30. Current Mat. L/T Debt Rur. Dev.	0	0
4. Non-Affiliates:			31. Current Mat. - Capital Leases	0	0
a. Telecom, Accounts Receivable	17,010	0	32. Income Taxes Accrued	0	0
b. Other Accounts Receivable	0	0	33. Other Taxes Accrued	10,600	6,351
c. Notes Receivable	0	0	34. Other Current Liabilities	619,002	634,798
5. Interest and Dividends Receivable	0	0	35. Total Current Liabilities (25 - 34)	1,713,901	2,571,553
6. Material-Regulated	0	0	LONG-TERM DEBT		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	810,273	60,117
8. Prepayments	0	2,367	37. Funded Debt-RTB Notes	0	0
9. Other Current Assets	0	0	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	85,348	89,737	39. Funded Debt-Other	340,363	155,726
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan	0	0
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt	0	0
a. Rural Development	0	0	42. Recquired Debt	0	0
b. Nonrural Development	0	0	43. Obligations Under Capital Lease	0	0
12. Other Investments			44. Adv. From Affiliated Companies	0	0
a. Rural Development	0	2,500	45. Other Long-Term Debt	0	1,768
b. Nonrural Development	0	0	46. Total Long-Term Debt (36-45)	1,150,636	217,611
13. Nonregulated Investments	37,725	59,959	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	4,000	0	47. Other Long-Term Liabilities	0	0
15. Deferred Charges	0	0	48. Deferred Income Taxes	0	0
16. Jurisdictional Differences	0	0	49. Other Deferred Credits	0	0
17. Total noncurrent Assets (11 thru 16)	41,725	62,459	50. Other Jurisdictional Differences	0	0
PLANT, PROPERTY AND EQUIPMENT			51. Total Other Liab. & Def. Credits (47 thru 50)	0	0
18. Telecom Plant-in-Service	2,269,736	2,261,114	EQUITY		
19. Property Held for Future Use	0	0	52. Cap. Stock Outstanding & Subscribed	0	0
20. Plant Under Construction	6,636	66,862	53. Additional Paid-in-Capital	0	0
21. Plant Adj., Nonop Plant & Goodwill	0	0	54. Treasury Stock	0	0
22. Accumulated Depreciation (CR.)	(1,521,147)	(1,644,210)	55. Membership and cap. Certificates	0	0
23. Net Plant (18 thru 21 less 22)	755,225	683,766	56. Other Capital	0	0
24. TOTAL ASSETS (10+17+23)	882,298	835,962	57. Patronage Capital Credits	0	0
			58. Retained Earnings or Margins	(1,982,239)	(1,953,202)
			59. Total Equity (51 thru 57)	(1,982,239)	(1,953,202)
			60. TOTAL LIABILITIES AND EQUITY (35+46+51+59)	882,298	835,962

Footnote:
 Adjusted Balances represents balances
 after Part 64 adjustments

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
Prior and Current Year Rate Base

Company Name: (Below)

Westgate Communications, dba WeavTel

Line #	Description	B/S Line #	Adj. Balance End of Year 2015	Adj. Balance End of Year 2016	Average Adj End of Year Balance
Average Rate Base:					
1	Total Regulated Adjusted Telecom Plant-In-service	18	2,269,736	2,261,114	2,265,425
2	Total Property Held for Future Use	19	0	0	0
3	Total Regulated Adjusted Accumulated Depreciation (CR)	22	(1,521,147)	(1,644,210)	(1,582,679)
4	Total Regulated Materials & Supplies	6	0	0	0
5	Deferred Income Taxes (CR)				0
6	Total Regulated Rate Base		748,589	616,904	682,747

Footnotes:

1. Adjusted balance includes Part 64 adjustments
2. Normal balance of deferred income taxes and accumulated depreciation is a credit.
3. For "S Corp" companies, manual input required for Deferred Income Taxes, Line 5.

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
Prior and Current Year Access Lines

Company Name: (Below)

Westgate Communications, dba WeavTel

Line #	Description	Prior Year End of Yr. Balance - 2015	Current Year End of Yr. Balance - 2016	Difference	% Change
	Access Lines:				
1	Residential	31	31	0	0.0%
2	Business	35	22	(13)	-37.1%
3	Total	66	53	(13)	-19.7%

Note: If 2015 does not equal last year's petition and template, explain.

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
 Prior Year Income Statement

Company Name: (Below)
 Westgate Communications, dba WeavTel

Line #	Description	Prior Year 2015 (A)	Part 64 Adj. to NonReg (B)	Prior Year Adjusted 2015 (C)
1	Local Network Services Revenues	21,521	(99)	21,422
2	Network Access Services Revenues	517,119	15,830	532,949
3	Long Distance Network Services Revenues	3,553		3,553
4	Carrier Billing and Collection Revenues			0
5	Miscellaneous Revenues	23,837	(16,872)	6,965
6	Uncollectible Revenues (Normal Balance is debit or in brackets)			0
7	Net Operating Revenues (1 thru 6)	566,030	(1,141)	564,889
8	Plant Specific Operations Expense	270,247	(3,402)	266,845
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	24,706	(6,956)	17,750
10	Depreciation Expense	143,408	(838)	142,570
11	Amortization Expense	0		0
12	Customer Operations Expense	20,833	669	21,502
13	Corporate Operations	107,371	216	107,587
14	Total Operations Expenses (8 thru 13)	566,565	(10,311)	556,254
15	Operating Income or Margins (7 less 14)	(535)	9,170	8,635
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes			0
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)		0	0
19	Other Taxes	8,199	(4,769)	3,430
20	Total Operating Taxes (17+18+19)	8,199	(4,769)	3,430
21	Net Operating Income or Margins (15+16-20)	(8,734)	13,939	5,205
22	Interest on Funded Debt	74,203	(4,117)	70,086
23	Interest Expense - Capital Leases			0
24	Other Interest Expense	2,751		2,751
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	76,954	(4,117)	72,837
27	Nonoperating Net Income			0
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)	5,286	(18,056)	(12,770)
31	Total Net Income or Margins (21+27+28+29+30-26)	(80,402)	0	(80,402)
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	(1,930,919)		(1,930,919)
34	Miscellaneous Credits Year-to-Date	29,082		29,082
35	Dividends Declared (Common)			0
36	Dividends Declared (Preferred)			0
37	Other Debits Year-to-Date			0
38	Transfers to Patronage Capital			0
39	Retained Earnings End-of-Period ((31+33+34)-(35+36+37+38)(A2)	(1,982,239)	0	(1,982,239)
40	Patronage Capital Beginning-of-Year			0
41	Transfers to Patronage Capital			0
42	Patronage Capital Credits Retired			0
43	Patronage Capital End-of-Year (40+41-42)	0	0	0
44	Annual Debt Service Payments	16,200		16,200
45	Cash Ratio ((14+20-10-11)/7)	0.7621	12.4820	0.7384
46	Operating Accrual Ratio ((14+20+26)/7)	1.1514	16.8247	1.1197
47	TIER ((31+26)/26)	(0.0448)	1.0000	(0.1039)
48	DSCR ((31+26+10+11)/44)	8.6395	#DIV/0!	8.3336

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 9 Inc. Stmt Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 58 of Page 2, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Column B, automatic offset to Nonregulated Net Income (No Impact to retained earnings)

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
 Current Year income Statement

Company Name: (Below)
Westgate Communications, dba WeavTel

Line #	Description	Current Year 2016 (A)	Part 64 Adj. to NonReg (B)	Current Year Adjusted 2016 (C)
1	Local Network Services Revenues	23,473		23,473
2	Network Access Services Revenues	545,118	6,783	551,901
3	Long Distance Network Services Revenues	3,937		3,937
4	Carrier Billing and Collection Revenues			0
5	Miscellaneous Revenues	18,557	(8,156)	10,401
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	(920)		(920)
7	Net Operating Revenues (1 thru 6)	590,165	(1,373)	588,792
8	Plant Specific Operations Expense	235,076	(2,818)	232,258
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	12,620	(5,284)	7,336
10	Depreciation Expense	146,718	(4,645)	142,073
11	Amortization Expense	750	(750)	0
12	Customer Operations Expense	18,545	(122)	18,423
13	Corporate Operations	117,577	(3,070)	114,507
14	Total Operations Expenses (8 thru 13)	531,286	(16,689)	514,597
15	Operating Income or Margins (7 less 14)	58,879	15,316	74,195
16	Other Operating Income and Expenses ()			0
17	State and Local Taxes		2,787	2,787
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)		0	0
19	Other Taxes	2,666	607	3,273
20	Total Operating Taxes (17+18+19)	2,666	3,394	6,060
21	Net Operating Income or Margins (15+16-20)	56,213	11,922	68,135
22	Interest on Funded Debt	58,019	(6,044)	51,975
23	Interest Expense - Capital Leases			0
24	Other Interest Expense	1,511	731	2,242
25	Allowance for Funds Used During Construction (CR)			0
26	Total Fixed Charges (22+23+24-25)	59,530	(5,313)	54,217
27	Nonoperating Net Income	24,367		24,367
28	Extraordinary Items			0
29	Jurisdictional Differences			0
30	Nonregulated Net Income (B1)		(17,235)	(17,235)
31	Total Net Income or Margins (21+27+28+29+30-26)	21,050	0	21,050
32	Total Taxes Based on Income			
33	Retained Earning or Margins Beginning-of-Year	(1,982,239)		(1,982,239)
34	Miscellaneous Credits Year-to-Date	7,987		7,987
35	Dividends Declared (Common)			0
36	Dividends Declared (Preferred)			0
37	Other Debits Year-to-Date			0
38	Transfers to Patronage Capital			0
39	Retained Earnings End-of-Period ((31+33+34)-(35+36+37+38))(A2)	(1,953,202)	0	(1,953,202)
40	Patronage Capital Beginning-of-Year			0
41	Transfers to Patronage Capital			0
42	Patronage Capital Credits Retired			0
43	Patronage Capital End-of-Year (40+41-42)	0	0	0
44	Annual Debt Service Payments			0
45	Cash Ratio ((14+20-10-11)/7)	0.6549	5.7538	0.6430
46	Operating Accrual Ratio ((14+20+26)/7)	1.0056	13.5528	0.9764
47	TIER ((31+26)/26)	1.3536	1.0000	1.3883
48	DSCR ((31+26+10+11)/44)	#DIV/0!	#DIV/0!	#DIV/0!

Footnotes:

- (A) As reported on RUS Form 479
- (A1) S Corps provide effective tax rate from Cost study on Page 9, Inc. Stmt Summary Schedule Footnote
- (A2) Column A, Line 39 must equal Column A, Line 58 of Page 3, Balance Sheet
- (B) Part 64 adjustment from regulated to nonregulated
- (B1) Column B, automatic offset to Nonregulated Net Income (No Impact to retained earnings)

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
 Prior and Current Year Income Statement

Company Name: (Below)
Westgate Communications, dba WeavTel

Line #	Description	Adjusted Prior Year 2015	Adjusted Current Year 2016
1	Local Network Services Revenues	21,422	23,473
2	Network Access Services Revenues	532,949	551,901
3	Long Distance Network Services Revenues	3,553	3,937
4	Carrier Billing and Collection Revenues	0	0
5	Miscellaneous Revenues	6,965	10,401
6	Uncollectible Revenues (Normal Balance is debit or in brackets)	0	(920)
7	Net Operating Revenues (1 thru 6)	564,889	588,792
8	Plant Specific Operations Expense	266,845	232,258
9	Plant Nonspecific Operations Expense (excluding Depreciation & Amort.)	17,750	7,336
10	Depreciation Expense	142,570	142,073
11	Amortization Expense	0	0
12	Customer Operations Expense	21,502	18,423
13	Corporate Operations	107,587	114,507
14	Total Operations Expenses (8 thru 13)	556,254	514,597
15	Operating Income or Margins (7 less 14)	8,635	74,195
16	Other Operating Income and Expenses ()	0	0
17	State and Local Taxes	0	2,787
18	Federal Income Taxes (A1) - (LINE IS ZERO IF COMPANY IS S CORP)	0	0
19	Other Taxes	3,430	3,273
20	Total Operating Taxes (17+18+19)	3,430	6,060
21	Net Operating Income or Margins (15+16-20)	5,205	68,135
22	Interest on Funded Debt	70,086	51,975
23	Interest Expense - Capital Leases	0	0
24	Other Interest Expense	2,751	2,242
25	Allowance for Funds Used During Construction	0	0
26	Total Fixed Charges (22+23+24-25)	72,837	54,217
27	Nonoperating Net Income	0	24,367
28	Extraordinary Items	0	0
29	Jurisdictional Differences	0	0
30	Nonregulated Net Income	(12,770)	(17,235)
31	Total Net Income or Margins (21+27+28+29+30-26)	(80,402)	21,050
32	Total Taxes Based on Income		
33	Retained Earning or Margins Beginning-of-Year	(1,930,919)	(1,982,239)
34	Miscellaneous Credits Year-to-Date	29,082	7,987
35	Dividends Declared (Common)	0	0
36	Dividends Declared (Preferred)	0	0
37	Other Debits Year-to-Date	0	0
38	Transfers to Patronage Capital	0	0
39	Retained Earnings or Margins End-of-Period ((31+33+34)-(35+36+37+38))	(1,982,239)	(1,953,202)
40	Patronage Capital Beginning-of-Year	0	0
41	Transfers to Patronage Capital	0	0
42	Patronage Capital Credits Retired	0	0
43	Patronage Capital End-of-Year (40+41-42)	0	0
44	Annual Debt Service Payments	16,200	0
45	Cash Ratio ((14+20-10-11)/7)	0.7384	0.6430
46	Operating Accrual Ratio ((14+20+26)/7)	1.1197	0.9764
47	TIER ((31+26)/26)	(0.1039)	1.3883
48	DSCR ((31+26+10+11)/44)	8.33	#DIV/0!

Footnote	2015	2016
(A1) S Corporation Effective Tax Rate (2 decimal places):	11.69%	12.34%

Note:
 Adjusted Income Statement reflects Part 64 Adjustments (Regulated to Nonregulated).

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
Prior and Current Year Access Revenue Detail

Company Name: (Below)
Westgate Communications, dba WeavTel

Line #	Description	Part 32 Account	Prior Year 2015	Current Year 2016
1	End User Revenue (SLC, ARC, etc.)	5081	5,828	7,639
2	Switched Access (excluding USF):	5082		
2a	Intrastate		22,787	23,612
2b	Interstate (includes CAF)		43,980	46,220
3	Special Access:	5083		
3a	Intrastate			
3b	Interstate			
4	Federal USF (ICLS/HCL/SN)	Varies	408,798	409,740
5	State USF		51,556	64,690
6	Other*			
7	Total (must equal line 2 of Income Stmt.)		532,949	551,901
8	Line 2 of Income Stmt.		532,949	551,901
9	Difference		0	0

Footnote:
 * - if > than 5% of Access revenue total,
 provide description below.

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
Out-of-Period and Pro Forma Adjustments

Company Name: (Below)

Westgate Communications, dba WeavTel

Description of Out-of-Period - 2016 (As Recorded) OR Pro Forma (PF) Adjustments for Current Year or Reversing from Prior Year	Year	OOP or PDF?	Part 32 Account	
			Debit	Credit
Adjustment #1:				
Adjustment #2:				
Adjustment #3:				
Adjustment #4				
Adjustment #5				

State USF Petition Filing Requirement -WAC 480-123-110 (1)(e)
Rate of Return and Consolidated Return on Equity

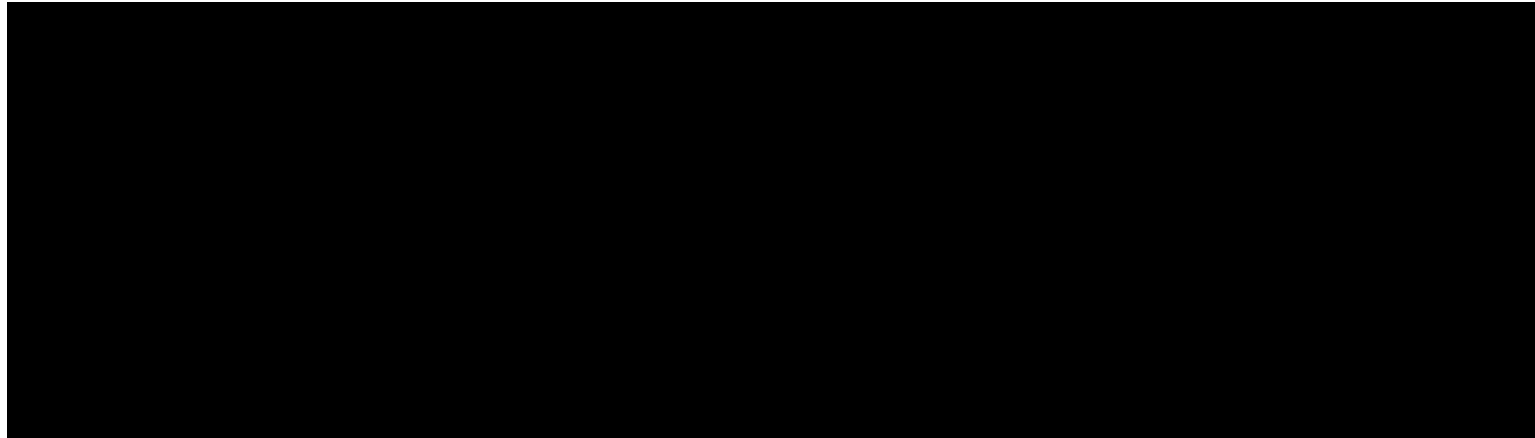
Company Name:
Westgate Communications, dba WeavTel

Line #	Source(A)	Net Operating Income Inputted FIT Calculation	2016	
1	Page 9, Line 21 (CY)	Adjusted Net Operating Income	68,135	
2		Out-of-Period or Pro Forma Adjustments		
3	Page 9, Line 26 (CY)	Total Fixed Charges	54,217	(A)
4	Sum	Adj. Taxable Operating Income (Line 1 + Line 2 - Line 3)	13,918	
5		Inputted S Corp. Tax Rate(B)	12.34%	
6	Calculated	inputted FIT (Line 4* Line 5)	1,717	
7	Sum	Adj. Net Operating income after FIT (Line 4 - Line 6)	12,201	(B)
NonOperating Income Inputted FIT Calculation				
Line #	Source(A)	NonOperating Income Inputted FIT Calculation		
8	Page 9, Line 27 (CY)	Nonoperating net income	24,367	
9	Page 9, Line 30 (CY)	Nonregulated net income	(17,235)	
10	Sum	Sub-Total (Line 27+Line 30)	7,132	
11		Inputted S Corp. Tax Rate(B)	12.34%	
12	Calculated	FIT (Line 10 * Line 11)	880	
13	Sum	Nonop/Nonreg income after FIT (Line 10 - Line 12)	6,252	(C)
14	Sum	Adjusted Net Income w/inputted FIT	18,452	(B)+(C)
Sanity Check:				
Line #	Source(A)	Sanity Check:		
15	Page 9, Line 31 (CY)	Line 31 as reported	21,050	
16		Out-of-Period or Pro Forma Adjustments	-	
17		Total	21,050	
18		Inverse of effective tax rate (100%-Line 10 percent)	87.66%	
19	Calculated	Adjusted Net Income (Line 17*Line 18) = Line 14	18,452	(D)
Regulated Rate of Return				
Line #	Source(A)	Regulated Rate of Return		
20	Page 5, Total (PY)	Regulated rate base Year End 2015	748,589	
21	Page 5, Total (CY)	Regulated rate base Year End 2016	616,904	
22	Sum	Total	1,365,493	
23	Calculated	Simple Avg.	682,747	(E)
24	Line 7 (above)	Adj Operating Income after inputted FIT	12,201	
27	Calculated	Regulated rate of return	1.8%	(B)/(E)

Exhibit 4.1

Company Name: (Below)

Westgate Communications LLC d/b/a Weavtel



**WASHINGTON 547 WESTGATE
WESTGATE COMMUNICATIONS, LLC
d/b/a WEA VTEL**

Audited Financial Statements

December 31, 2016

**WASHINGTON 547 WESTGATE
WESTGATE COMMUNICATIONS, LLC
d/b/a WEAVTEL**

Audited Financial Statements

December 31, 2016

INDEPENDENT AUDITOR'S REPORT1-2

AUDITED FINANCIAL STATEMENTS

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Statement of Cash Flows7-8

Notes to Financial Statements.....9-19

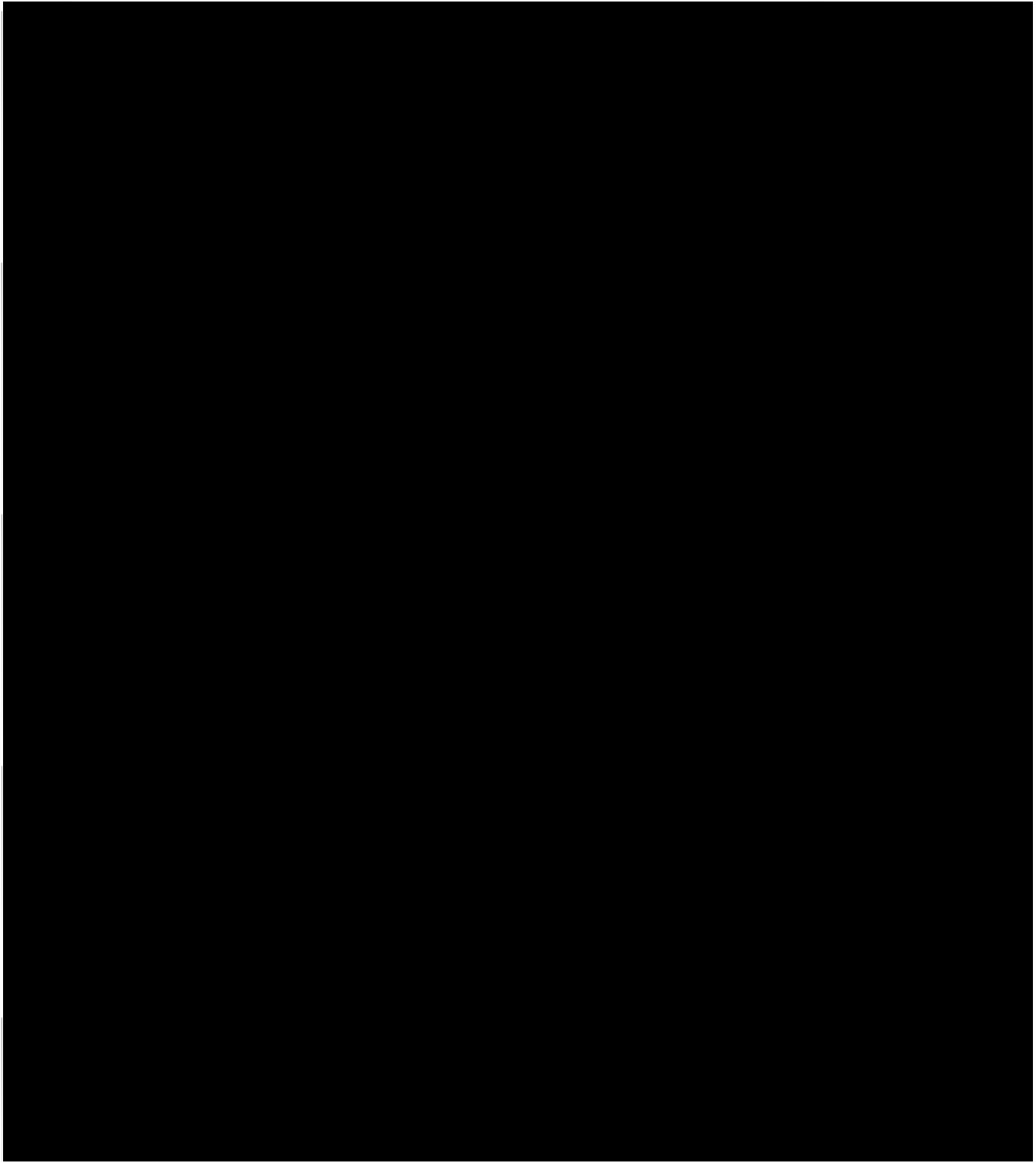
EXHIBIT 5

AUDITED FINANCIAL STATEMENTS

**WASHINGTON 547 WESTGATE
WESTGATE COMMUNICATIONS, LLC
d/b/a WEAATEL**

BALANCE SHEET

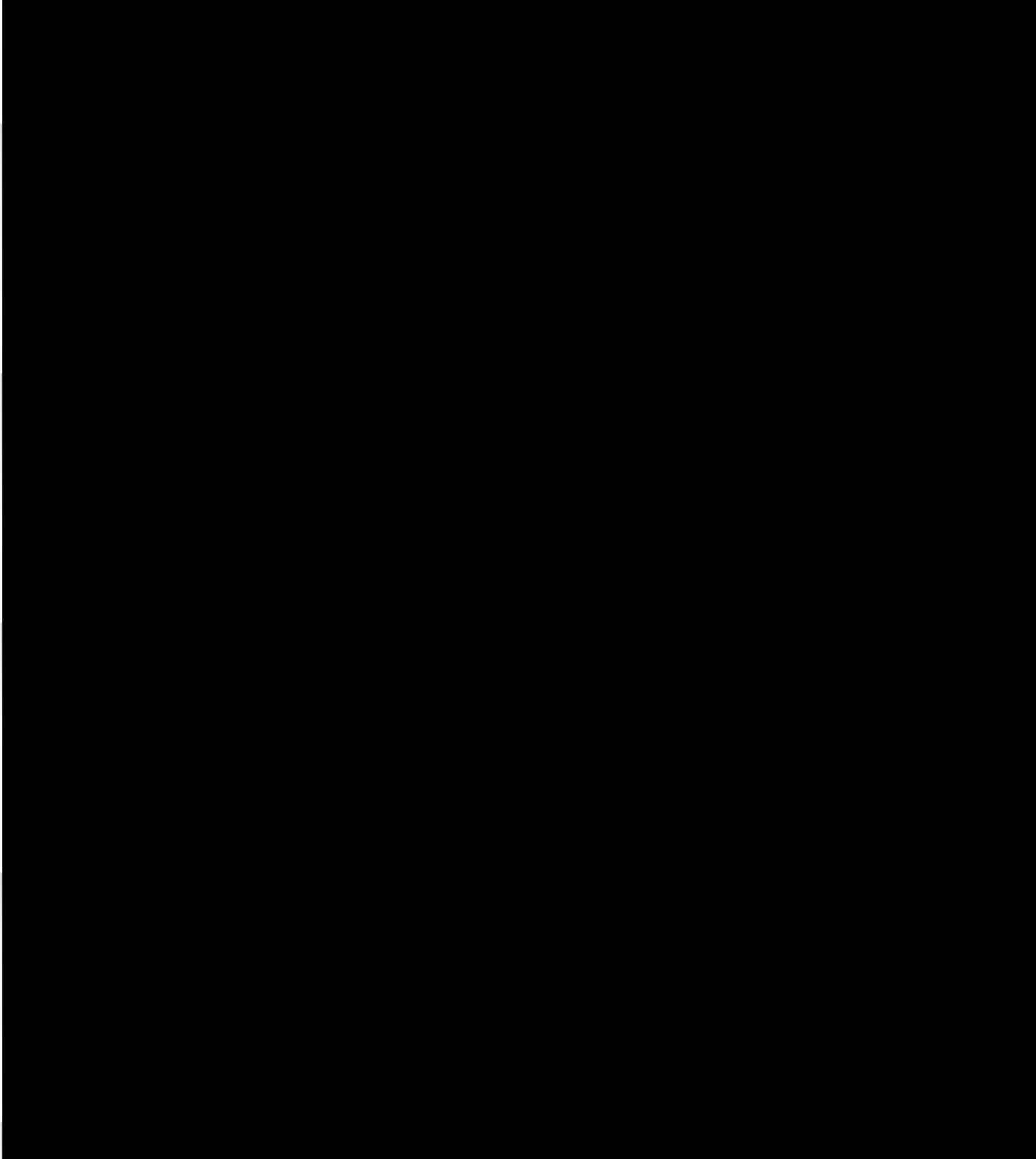
December 31, 2016



**WASHINGTON 547 WESTGATE
WESTGATE COMMUNICATIONS, LLC
d/b/a WEAATEL**

BALANCE SHEET (Continued)

December 31, 2016



**WASHINGTON 547 WESTGATE
WESTGATE COMMUNICATIONS, LLC
d/b/a WEAATEL**

STATEMENT OF INCOME

Year Ended December 31, 2016

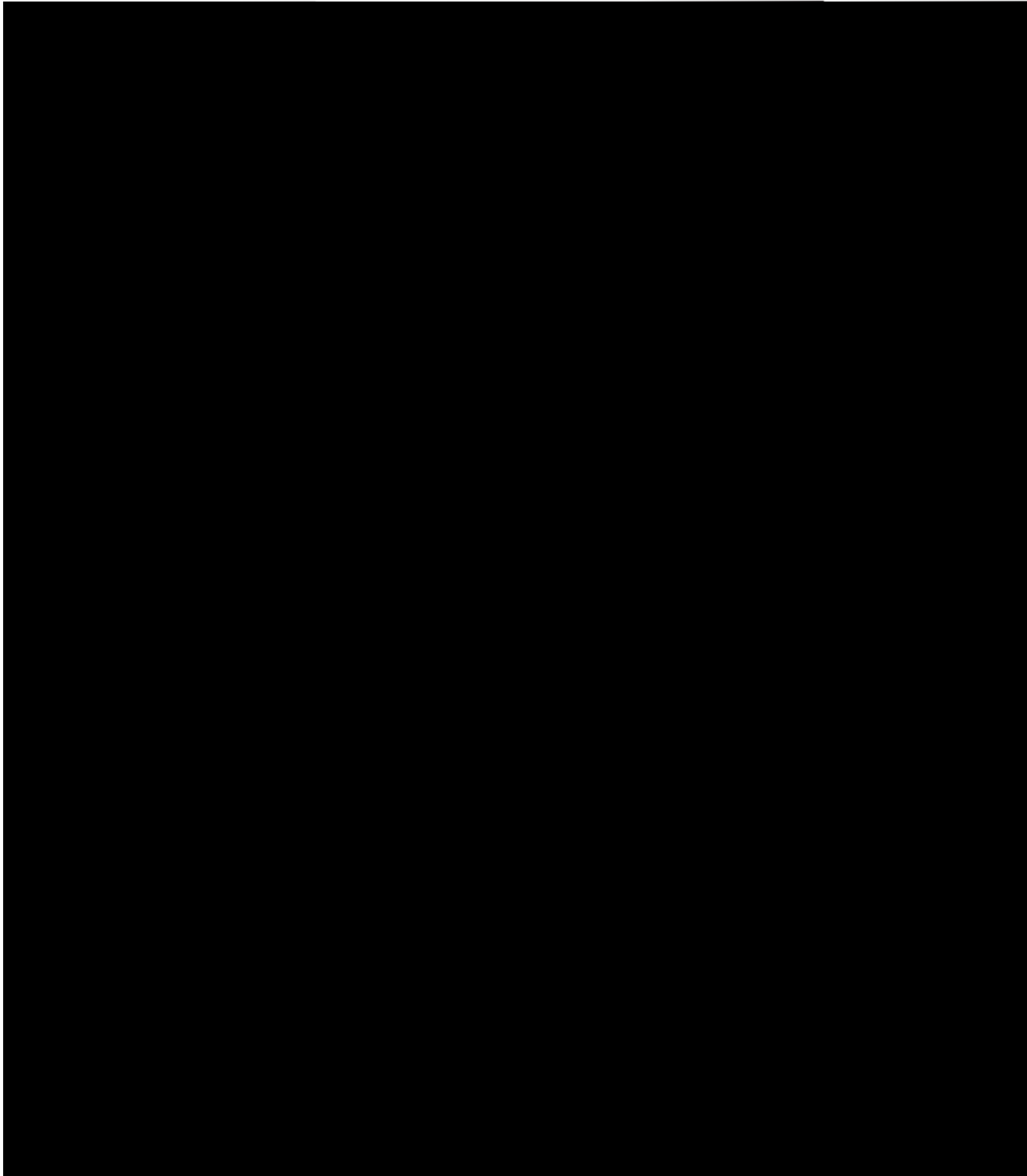
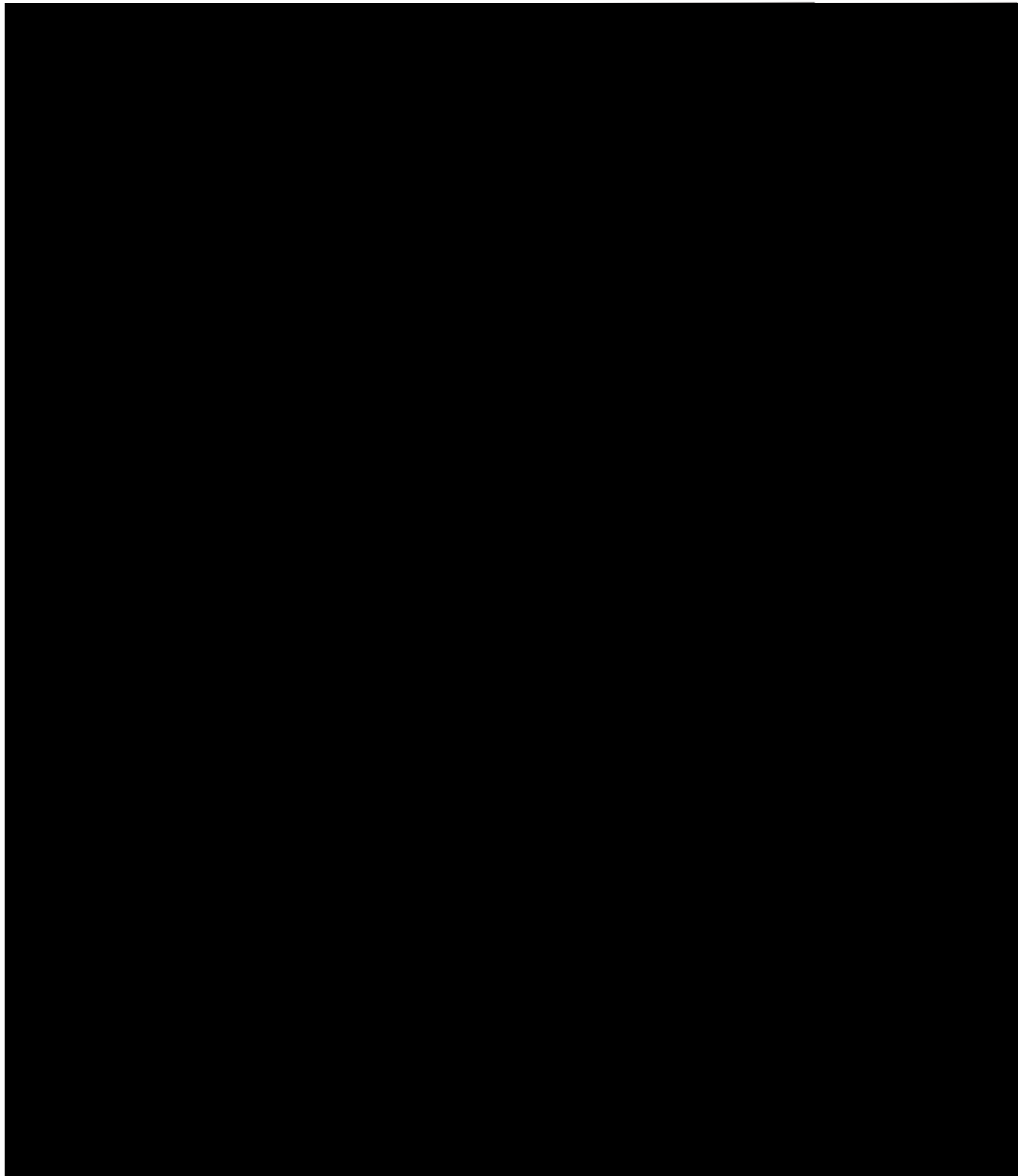


EXHIBIT 5

**WASHINGTON 547 WESTGATE
WESTGATE COMMUNICATIONS, LLC
d/b/a WEAATEL**

STATEMENT OF CHANGES IN MEMBERS' DEFICIT

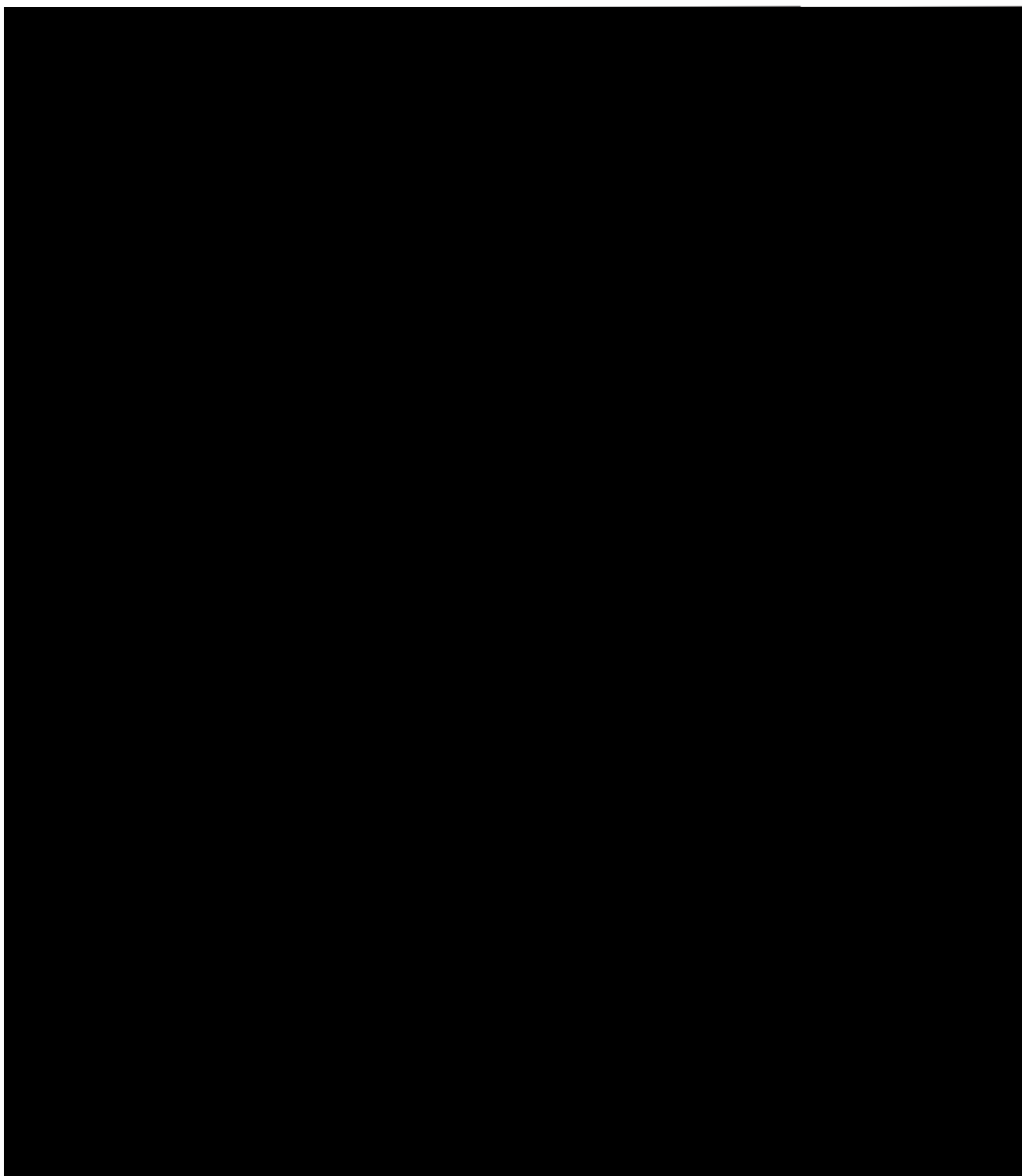
Year Ended December 31, 2016



**WASHINGTON 547 WESTGATE
WESTGATE COMMUNICATIONS, LLC
d/b/a WEAVTEL**

STATEMENT OF CASH FLOWS

Year Ended December 31, 2016



**WASHINGTON 547 WESTGATE
WESTGATE COMMUNICATIONS, LLC
d/b/a WEAATEL**

STATEMENT OF CASH FLOWS (Continued)

Year Ended December 31, 2016

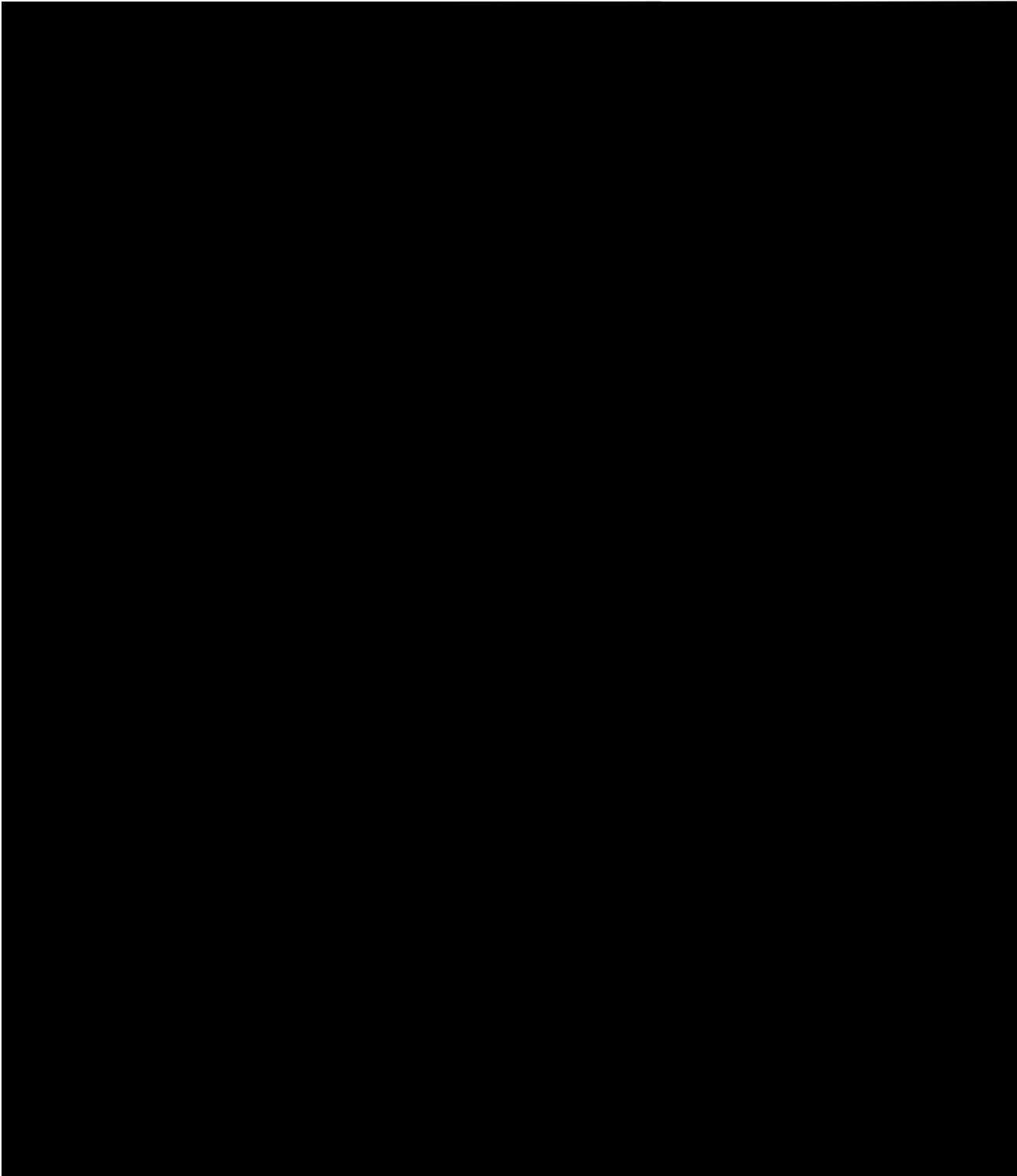


EXHIBIT 6

Westgate Communications LLC {d/b/a WeavTel]

2016 RUS 479 Operating Report

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p><i>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.</i></p> <p>BORROWER NAME</p> <p style="text-align: center;">Westgate Communications, LLC</p> <p style="text-align: center;">(Prepared with Audited Data)</p>
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<p><i>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.</i></p>	<p>PERIOD ENDING December, 2016</p>	<p>BORROWER DESIGNATION WA0547</p>
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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	56,848	50,869	25. Accounts Payable	490,578	441,677
2. Cash-RUS Construction Fund			26. Notes Payable	63,598	63,599
3. Affiliates:			27. Advance Billings and Payments		35,545
a. Telecom, Accounts Receivable	11,490	8	28. Customer Deposits		
b. Other Accounts Receivable		36,493	29. Current Mat. L/T Debt	530,123	1,389,583
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	17,010		32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	10,600	6,351
c. Notes Receivable			34. Other Current Liabilities	619,002	634,798
5. Interest and Dividends Receivable	0		35. Total Current Liabilities (25 thru 34)	1,713,901	2,571,553
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	810,273	60,117
8. Prepayments	0	2,367	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	85,348	89,737	39. Funded Debt-Other	340,363	155,726
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
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	0	1,768
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	1,150,636	217,611
13. Nonregulated Investments	19,324	13,737	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	4,000	2,500	47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	23,324	16,237	50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	2,299,206	2,322,450	51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	6,636	66,862	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	1,532,216	1,659,324	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	773,626	729,988	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	(1,982,239)	(1,953,202)
	882,298	835,962	58. Total Equity (51 thru 57)	(1,982,239)	(1,953,202)
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	882,298	835,962

Total Equity = 33.65% % of Total Assets

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

WA0547

PERIOD ENDING

December, 2016

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	21,521	23,473
2. Network Access Services Revenues	517,119	545,118
3. Long Distance Network Services Revenues	3,553	3,937
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues	23,837	18,557
6. Uncollectible Revenues	0	920
7. Net Operating Revenues (1 thru 5 less 6)	566,030	590,165
8. Plant Specific Operations Expense	270,247	235,076
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	24,706	12,620
10. Depreciation Expense	143,408	146,718
11. Amortization Expense	0	750
12. Customer Operations Expense	20,833	18,545
13. Corporate Operations Expense	107,371	117,577
14. Total Operating Expenses (8 thru 13)	566,565	531,286
15. Operating Income or Margins (7 less 14)	(535)	58,879
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes	8,199	2,666
20. Total Operating Taxes (17+18+19)	8,199	2,666
21. Net Operating Income or Margins (15+16-20)	(8,734)	56,213
22. Interest on Funded Debt	74,203	58,019
23. Interest Expense - Capital Leases		
24. Other Interest Expense	2,751	1,511
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	76,954	59,530
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	5,286	24,367
31. Total Net Income or Margins (21+27+28+29+30-26)	(80,402)	21,050
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	(1,930,919)	(1,982,239)
34. Miscellaneous Credits Year-to-Date	29,082	7,987
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)]	(1,982,239)	(1,953,202)
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	16,200	58,020
45. Cash Ratio [(14+20-10-11) / 7]	0.7621	0.6549
46. Operating Accrual Ratio [(14+20+26) / 7]	1.1514	1.0056
47. TIER [(31+26) / 26]	-0.0448	1.3536
48. DSCR [(31+26+10+11) / 44]	8.6395	3.9305

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**OPERATING REPORT FOR
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INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

WA0547

PERIOD ENDED

December, 2016

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	21	32	53	1,074.00	924.00
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			21	32	53	1,074.00	924.00
No. Exchanges	1						

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**OPERATING REPORT FOR
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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	53	16	16	3,000	768	45.00	Package	DSL
Total	53	16						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0547
	PERIOD ENDING December, 2016

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 .35	5. Subscribers per Route Mile .05
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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
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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)	66,426
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	66,426

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					

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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	

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**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

PERIOD ENDED

December, 2016

INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	56,848
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	21,050
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	146,718
4. Add: Amortization	750
5. Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	(8,001)
7. Decrease/(Increase) in Materials and Inventory	0
8. Decrease/(Increase) in Prepayments and Deferred Charges	(2,367)
9. Decrease/(Increase) in Other Current Assets	0
10. Increase/(Decrease) in Accounts Payable	(48,901)
11. Increase/(Decrease) in Advance Billings & Payments	35,545
12. Increase/(Decrease) in Other Current Liabilities	11,547
13. Net Cash Provided/(Used) by Operations	156,341
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	0
15. Increase/(Decrease) in Notes Payable	1
16. Increase/(Decrease) in Customer Deposits	0
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(73,565)
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)	
23. Net Cash Provided/(Used) by Financing Activities	(73,564)
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	(83,470)
25. Other Long-Term Investments	5,587
26. Other Noncurrent Assets & Jurisdictional Differences	1,500
27. Other (Explain) prior period adjustment	(12,373)
28. Net Cash Provided/(Used) by Investing Activities	(88,756)
29. Net Increase/(Decrease) in Cash	(5,979)
30. Ending Cash	50,869

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0547
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2016
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

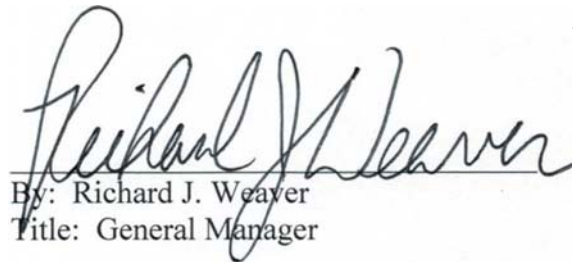
USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0547
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2016
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

EXHIBIT 7

CORPORATE OPERATIONS EXPENSE ADJUSTMENT CERTIFICATE

I, Richard J Weaver, an officer of Westgate Communications LLC d/b/a WeavTel, with personal knowledge and responsibility, under penalty of perjury, hereby certify that no corporate operations adjustment to existing high-cost loop and interstate common line support mechanisms, as required by the Federal Communications Commission, applied to the Company for 2016 and 2015.

Dated this 1st day of August, 2017.



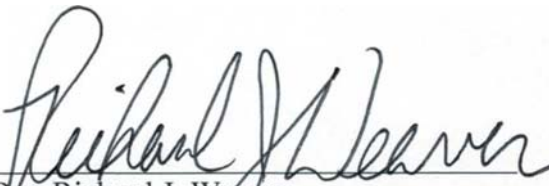
By: Richard J. Weaver
Title: General Manager

EXHIBIT 8

FINANCIAL ACCOUNTING CERTIFICATE

I, Richard J. Weaver, an officer of Westgate Communications LLC d/b/a WeavTel, with personal knowledge and responsibility, based upon my discussions with Company staff that 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 1st day of August, 2017.




By: Richard J. Weaver
Title: General Manager

EXHIBIT 9

CONTINUED OPERATIONS CERTIFICATE

I, Richard J. Weaver, an officer of Westgate Communications LLC d/b/a WeavTel, under penalty of perjury, hereby certify that if the Company receives Program support, the Company will continue to provide communications services pursuant to its tariffs on file with the Commission throughout its service territory in Washington for which the company is seeking and receives Program support during the entirety of 2018.

Dated this 1st day of August, 2017.



By: Richard J. Weaver
Title: General Manager