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

8 IN RE

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10 PETITION OF WHIDBEY TELEPHONE  
11 COMPANY TO RECEIVE SUPPORT  
12 FROM THE UNIVERSAL SERVICE  
13 COMMUNICATIONS PROGRAM

DOCKET NO.

PETITION FOR SUPPORT

14 COMES NOW Whidbey Telephone Company (the "Company") and, pursuant to Chapter  
15 480-123 of the Washington Administrative Code ("WAC"), including, but not limited to, WAC  
16 480-123-110, hereby petitions the Washington Utilities and Transportation Commission (the  
17 "Commission") to receive support from the Universal Service Communications Program (the  
18 "Program") for the Program year 2021.

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

- 21 1. WAC 480-123-100(1)(a): The Company is a local exchange company as defined in WAC  
22 480-120-021 that serves fewer than forty thousand access lines within the state.
- 23 2. WAC 480-123-100(1)(b): The Company is an incumbent local exchange carrier as defined  
24 in 47 U.S.C. Sec. 251(h) or has been designated as an incumbent local exchange carrier by  
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26

1 the Federal Communications Commission. [Skyline alternative: The Company has been  
2 designated as an incumbent local exchange carrier by the Federal Communications  
3 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 has established a plan, as described in WAC 480-  
7 123-110, to provide, maintain or enhance broadband service (See II.4, below).
- 8 5. WAC 480-123-100(1)(e): The Company has been designated by the Commission as an  
9 eligible telecommunications carrier ("ETC") for purposes of receiving federal universal  
10 services support pursuant to 47 C.F.R. Part 54 Subpart D - Universal Service Support for  
11 High Cost Areas with respect to the service areas for which the Company is seeking  
12 Program support.

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

- 15 1. WAC 480-123-110(1)(a): The name of the legal entity that provides communications  
16 services and is seeking Program support is as follows: Whidbey Telephone Company
- 17 2. WAC 480-123-110(1)(b): A corporate organization chart showing the relationship between  
18 the Company and affiliates as defined in RCW 80.16.010 is attached hereto as Exhibit 1.<sup>1</sup>  
19 A detailed description of any transactions between the Company and the affiliates named in

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<sup>1</sup> Pursuant to agreement with Commission Staff, Exhibit 1 is limited to those affiliates having transactions  
25 with the Company that are to be identified in Exhibit 2.

1 Exhibit 1 recorded in the Company's operating accounts is attached hereto as Exhibit 2.<sup>2</sup>

2 3. WAC 480-123-110(1)(c): A service area map for the Company can be found at Sheet Nos.  
3 300 and 301 in Schedule 42 of the Company's Tariff WN U-5.

4 4. WAC 480-123-110(1)(d): The Company's broadband plan to provide, maintain, or enhance  
5 broadband services in its service area is attached hereto as Exhibit 3.

6 5. WAC 480-123-110(1)(f): A sworn statement by a Company officer certifying that the  
7 Company complies with state and federal accounting, cost allocation, and cost adjustment  
8 rules pertaining to incumbent local exchange carriers is attached as Exhibit 4.

9 6. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by  
10 the Company as of December 31, 2019, was 961. The number of residential local exchange  
11 access lines served by the Company as of December 31, 2018, was 1182. The number of  
12 business local exchange access lines served by the Company as of December 31, 2019, was  
13 436. The number of business local exchange access lines served by the Company as of  
14 December 31, 2018, was 499. The number of broadband connections served by the  
15 Company as of December 31, 2019, was 7848. The number of broadband connections  
16 served by the Company as of December 31, 2018, was 7584. The unbundled monthly  
17 recurring rate charged by the Company for residential local exchange access service on  
18 December 31, 2019, was 18.00. The unbundled monthly recurring rate charged by the  
19 Company for residential local exchange access service on December 31,

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24 <sup>2</sup> Exhibit 2 also includes transactions between the Company and Affiliates Pursuant to agreement with the  
25 Commission Staff, Exhibit 2 is limited to transactions other than employment compensation and benefits  
26 pursuant to employ benefit plans.

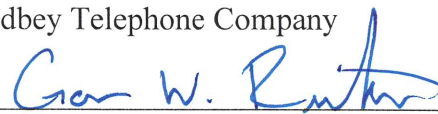
1 2018, was 18.00. The unbundled monthly rate charged by the Company for single line  
2 business local exchange access service on December 31, 2019, was 18.00. The  
3 unbundled monthly rate charged by the Company for single line business local exchange  
4 access service on December 31, 2018, was 18.00. The unbundled monthly rate charged  
5 for broadband service as of December 31, 2019, and as of December 31, 2018, is set out in  
6 the attached Exhibit 5.

- 7 7. WAC 480-123-110(1)(h): The requested statements are attached as Exhibit 6.  
8 8. WAC 480-123-110(1)(h)(i): A sworn statement by a Company officer certifying that the  
9 Company is in compliance with the Federal Communications Commission's obligation for  
10 deployment of broadband at speeds specified by the Federal Communications Commission  
11 applicable to the Company and that the Company meets one of the eligibility criteria set out  
12 in WAC 480-123-110(1)(j)(ii), (iii) or (iv) is attached at Exhibit 7.  
13 9. All exhibits attached hereto are incorporated into this Petition as though fully set forth.

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16 Respectfully submitted this 31st day of July, 2020.

17 Whidbey Telephone Company

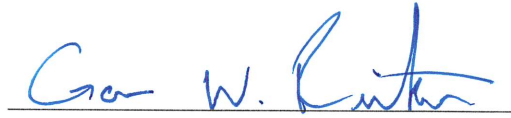
18 By



19 Gary W. Ricketts  
20 Secretary & Treasurer

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22 CERTIFICATION  
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1 I Gary W. Ricketts, an officer of the Company that is responsible for the Company's  
2 business and financial operations, hereby certify under penalty of perjury that the information and  
3 representations set forth in the Petition, above, are accurate and the Company has not knowingly  
4 withheld any information required to be provided to the Commission pursuant to the rules  
5 governing the Program.  
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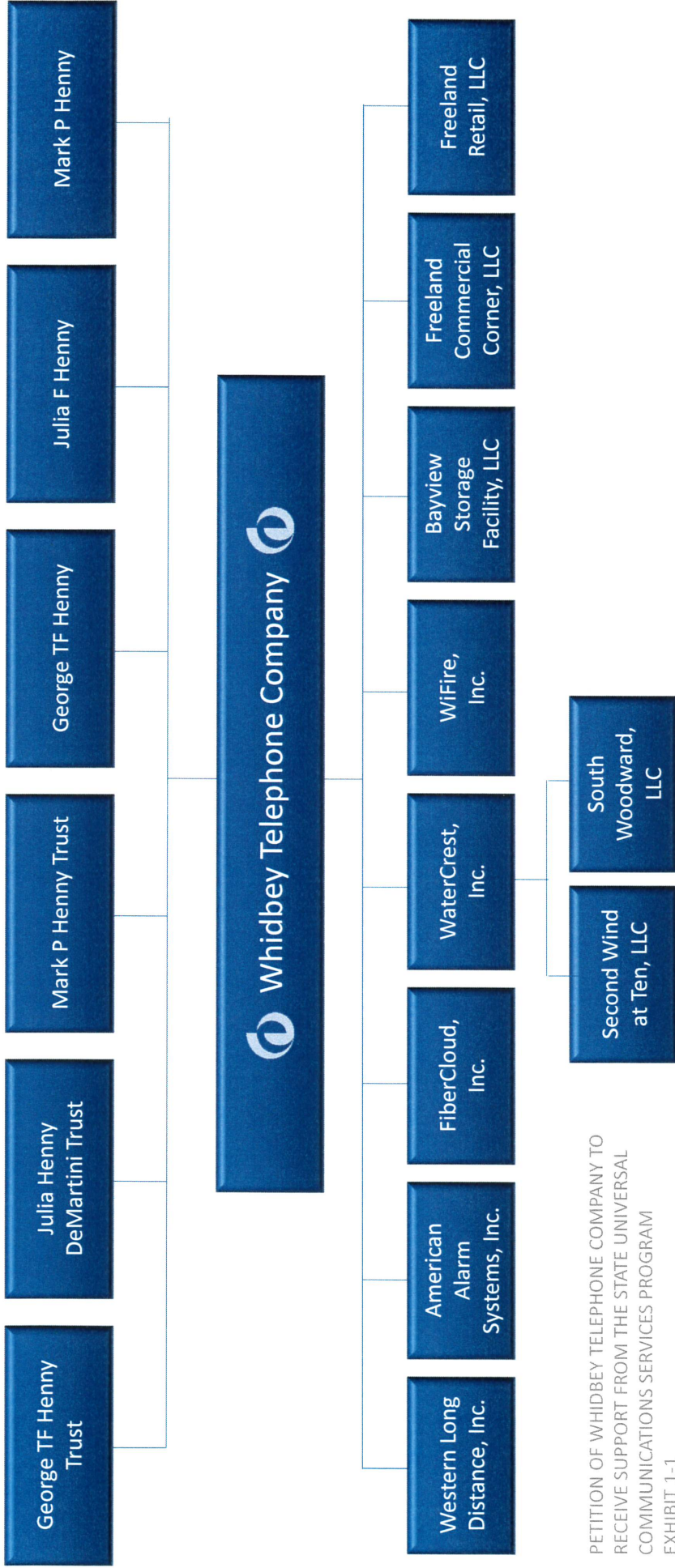
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10 Gary W. Ricketts

11 Secretary & Treasurer  
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**EXHIBIT 1**

**EXHIBIT 1**  
CORPORATE ORGANIZATION CHART



PETITION OF WHIDBEY TELEPHONE COMPANY TO  
RECEIVE SUPPORT FROM THE STATE UNIVERSAL  
COMMUNICATIONS SERVICES PROGRAM  
EXHIBIT 1-1

**EXHIBIT 2**



## EXHIBIT 2

### DESCRIPTION OF TRANSACTIONS BETWEEN COMPANY AND AFFILIATES

The following are transactions between Whidbey Telephone Company (“Company”) and the Company affiliates that are shown in Exhibit 1, as well as officers and directors, that are recorded on the books of the Company:

#### Ownership and the Company

- Certain shareholders holding, directly or indirectly, five percent or more of the stock of the Company are also employees of the Company and receive from the Company employment compensation and employment-associated benefits in accordance with benefit plans that are in place.
- Shareholders of the Company receive distributions from the Company that the Company records as Distributions to Ownership.
- Certain shareholders, who are also officers and directors of the Company, have loans from the Company. The Company records Interest Revenue and Receivables on those loans. As loans are repaid, the Company reduces the appropriate Notes Receivable upon receipt of funds.

#### The Company and Western Long Distance, Inc.

- The Company provides billing and collection services on behalf of Western Long Distance, Inc. (WLD). These services are billed to WLD, and are treated as Carrier Billing and Collection Revenue by the Company. To the extent that these services are jurisdictionally intrastate, they are priced at rates equal to the billing and collection rates specified in the Company’s Tariff WN U-5; to the extent that these services are jurisdictionally interstate, they are charged (to the extent applicable) at the same rate charged to other IXC(s) to whom the Company provides Billing and Collection services.
- WLD provides long distance carrier service to the Company. This service is billed to the Company at WLD’s price list rates. The Company records General and Administrative Expenses for this service.

#### The Company and American Alarm Services, Inc.

- The Company provides American Alarm Services, Inc. (AAS) with local telephone service at rates and charges set forth in the Company’s Tariff WN U-5.

- AAS provides alarm and monitoring services for the Company. The Company records Regulated Land & Building Expense subject to Part 64 allocations.

The Company and Watercrest, Inc.

- There are loans from the Company to Watercrest, Inc. The Company records Interest Income on the loans. As the loans are repaid, the Company reduces the appropriate Notes Receivable.

The Company and WiFire, Inc.

- Retail transactions for food and beverages furnished by WiFire, Inc. to the Company are recorded by the Company as Operating Expenses.

The Company and Bayview Storage Facility, LLC

- Bayview Storage Facility provides storage for rent on a monthly basis. The Company occasionally will perform maintenance on the building and records Non-Regulated Land & Building Expense on its books.

The Company and Freeland Commercial Corner, LLC

- Freeland Commercial Corner rents small office space for tenants. The Company occasionally will perform maintenance on the building and records Non-Regulated Land & Building Expense on its books.

**EXHIBIT 3**

EXHIBIT 3  
BROADBAND PLAN

This Broadband Plan, as contemplated by RCW 80.36.650(3)(a)(ii) and WAC 480-123-110(1)(d), is being adopted by **Whidbey Telephone Company** (“Company”) with the expectation that it will be submitted to the Washington Utilities and Transportation Commission (“Commission”) as one component of a petition by the Company for support from the state Universal Communications Services Program established by RCW 80.36.650 (“Program”). Pursuant to RCW 80.36.650(3), a recipient of support from the Program is to have adopted a plan to provide, enhance, or maintain broadband services in its service area. As set out in WAC 480-123-110(1)(d), the broadband plan is to include specific elements, but only to the extent applicable to that particular broadband plan. The broadband plan does not have to include all elements, but potential elements include the following: (1) a multi-year investment plan; (2) specific project(s) that are projected to provide or enhance broadband services at speeds required by the Commission or the Federal Communications Commission; (3) a plan for maintenance of broadband services in the provider’s service area; (4) a description of how the provider will enhance broadband services in its service area; and (5) any other information that the Commission may request to assist in the Commission's review and analysis of the provider's broadband plan. Where there are specific projects, the project information is to include an estimated timeline, geographic location, number of locations passed, and upload and download speeds that are projected to be produced by the project.

The Company has already constructed facilities sufficient for it to satisfy criterion three of WAC 480-123-110 and, as a result, has placed into service robust broadband infrastructure throughout all populated portions of its service area. Consequently, the Company intends to apply

for Program support to allow it to continue to provide telecommunications services and broadband services at or above the levels that it is providing today. Accordingly, the Company's broadband plan includes the following elements:

**Broadband Plan:**



In addition to the foregoing, the Company's broadband plan includes continued investment by the Company in the maintenance and enhancement of its telecommunications and broadband network.

While the Covid-19 pandemic makes forecasting uncertain, the Company anticipates that, if its application for support from the Program during the coming Program year is granted, its expenditures during that period in providing, enhancing and maintaining broadband services in its service area, including payments in support of the above-mentioned RUS financing, will exceed

the funding that it expects to receive from the Program for that period. This expectation reflects the Company's belief that it will continue to be guided by its goal of providing robust broadband capability wherever such capability is needed within the Company's service area.

The foregoing Broadband Plan was adopted by Whidbey Telephone Company on July 31, 2020.

**EXHIBIT 4**


EXHIBIT 4

CERTIFICATION RELATING TO ACCOUNTING STANDARDS

I, Gary W. Ricketts, am an officer of Whidbey Telephone Company (“Company”) and, in that capacity, I hereby certify that the Company complies with state and federal accounting, cost allocation, and cost adjustment rules pertaining to incumbent local exchange carriers applicable to the Company.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signed this 31<sup>st</sup> day of July, 2020, at Langley, Washington.



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Gary W. Ricketts  
Secretary & Treasurer

PETITION OF WHIDBEY TELEPHONE  
COMPANY TO RECEIVE SUPPORT FROM  
THE STATE UNIVERSAL COMMUNICATIONS  
SERVICES PROGRAM –  
EXHIBIT 4



**EXHIBIT 5**

**EXHIBIT 5**  
**UNBUNDLED MONTHLY RATE CHARGE FOR BROADBAND SERVICES**

Whidbey Telephone Company

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Download Speed*	Upload Speed*	Type	Prior Year End of Year Rate 2018	Current Year End of Year Rate 2019	Res/Bus/Both
10	3	DSL	\$ 43.00	\$ 43.00	both
20	3	DSL	\$ 50.00	\$ 50.00	both
30	3	DSL	\$ 60.00	\$ 60.00	both
30	10	DSL	\$ 70.00	\$ 70.00	both
50	10	DSL	\$ 80.00	\$ 80.00	both
50	20	DSL	\$ 90.00	\$ 90.00	both
1000	1000	Fiber	-	\$ 70.00	

\*mbps

**EXHIBIT 6**

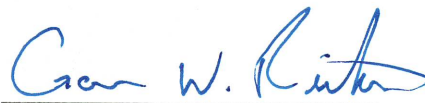
EXHIBIT 6

CONTINUED OPERATIONS CERTIFICATE

I, Gary W. Ricketts, am an officer of Whidbey Telephone Company ("Company"), and, in that capacity, hereby certify that if the Company receives Program support pursuant to the Petition of which this Exhibit 6 is a part, (i) 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 such Program support and (ii) the Company or its affiliate will continue to provide broadband services in the area for which the Company receives such Program support during the entirety of the Program year 2021.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signed this 31<sup>st</sup> day of July, 2020, at Langley, Washington.



Gary W. Ricketts  
Secretary & Treasurer

**EXHIBIT 7**

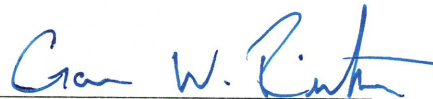
EXHIBIT 7

Certification of Eligibility

I, Gary W. Ricketts, am an officer of Whidbey Telephone Company (the Company as set out in the Petition to which this is an Exhibit) and thereby certify that the Company is in compliance with the Federal Communications Commission's obligation for deployment of broadband at speeds specified by the Federal Communications Commission that apply to the Company.

Further, I certify that the Company has already met the Federal Communications Commission's total deployment obligations associated with federal high-cost program support as of the date of the Petition to which this is an Exhibit. I certify that since January 1, 2018, the Company has been deploying broadband to additional locations and certifies that it will deploy broadband to the remaining number of locations as determined by the Washington Utilities and Transportation Commission by order.

This Certification is a sworn statement made under the penalty of perjury as set forth in RCW 9A.72.085 and is made this 31<sup>st</sup> day of July, 2020.



By: Gary W. Ricketts

Title: Secretary & Treasurer

PETITION OF WHIDBEY TELEPHONE  
COMPANY TO RECEIVE SUPPORT FROM  
THE STATE UNIVERSAL COMMUNICATIONS  
SERVICES PROGRAM –  
EXHIBIT 7