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

8 IN RE

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

DOCKET NO.

PETITION FOR SUPPORT

14 COMES NOW Hat Island 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 2023.

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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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PETITION OF HAT ISLAND TELEPHONE
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COMMUNICATIONS PROGRAM - 1

1 the Federal Communications Commission.

- 2 3. WAC 480-123-100(1)(c): The Company offers basic residential and business exchange
3 telecommunications services as set forth in WAC 480-120-021 and RCW 80.36.630.
- 4 4. WAC 480-123-100(1)(d): The Company has established a plan, as described in WAC 480-
5 123-110, to provide, maintain or enhance broadband service (See II.4, below).
- 6 5. WAC 480-123-100(1)(e): The Company has been designated by the Commission as an
7 eligible telecommunications carrier ("ETC") for purposes of receiving federal universal
8 services support pursuant to 47 C.F.R. Part 54 Subpart D - Universal Service Support for
9 High Cost Areas with respect to the service areas for which the Company is seeking
10 Program support.

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

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

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20 Exhibit 1 recorded in the Company's operating accounts is attached hereto as Exhibit 2. ²

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

24 ² Exhibit 2 also includes transactions between the Company and DCHT Trust. [Note: This may not apply for
25 all companies.] Pursuant to agreement with the Commission Staff, Exhibit 2 is limited to transactions other
than employment compensation and benefits pursuant to employ benefit plans.

- 1 3. WAC 480-123-110(1)(c): A service area map for the Company can be found at Sheet No.
2 19 in the Company's Tariff WN U-1.
- 3 4. WAC 480-123-110(1)(d): The Company's broadband plan to provide, maintain, or enhance
4 broadband services in its service area is attached hereto as Exhibit 3.
- 5 5. WAC 480-123-110(1)(f): A sworn statement by a Company officer certifying that the
6 Company complies with state and federal accounting, cost allocation, and cost adjustment
7 rules pertaining to incumbent local exchange carriers is attached as Exhibit 4.
- 8 6. WAC 480-123-110(1)(g): The number of residential local exchange access lines served by
9 the Company as of December 31, 2021, was 17. The number of residential local exchange
10 access lines served by the Company as of December 31, 2020, was 22. The number of
11 business local exchange access lines served by the Company as of December 31, 2021, was
12 9. The number of business local exchange access lines served by the Company as of
13 December 31, 2020, was 9. The number of broadband connections served by the Company
14 as of December 31, 2021, was 117. The number of broadband connections served by the
15 Company as of December 31, 2020, was 131. All of the approximate 292 serviceable
16 locations are capable of broadband speeds of 25Mbps downstream /3Mbps upstream, or
17 better. The unbundled monthly recurring rate charged by the Company for residential local
18 exchange access service on December 31, 2021, was 18.00. The unbundled monthly
19 recurring rate charged by the Company for residential local exchange access service on
20 December 31, 2020, was 18.00. The unbundled monthly rate charged by the Company for
21 single line business local exchange access service on December 31, 2021, was 18.00. The
22 unbundled monthly rate charged by the Company for single line business local exchange
23 access service on December 31, 2020, was 18.00. The unbundled monthly rate charged
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1 for broadband service as of December 31, 2020, and as of December 31, 2019, is set out in
2 the attached Exhibit 5.

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

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12 Respectfully submitted this 27th day of July, 2022.

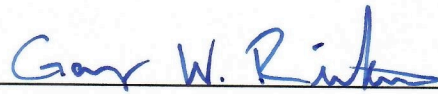
13 Hat Island Telephone Company

14 By Gary W. Ricketts

15 Gary W. Ricketts
16 Secretary & Treasurer
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CERTIFICATION

I Gary W. Ricketts, 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.



Gary W. Ricketts

Secretary & Treasurer

EXHIBIT 1

EXHIBIT 1
CORPORATE ORGANIZATION CHART

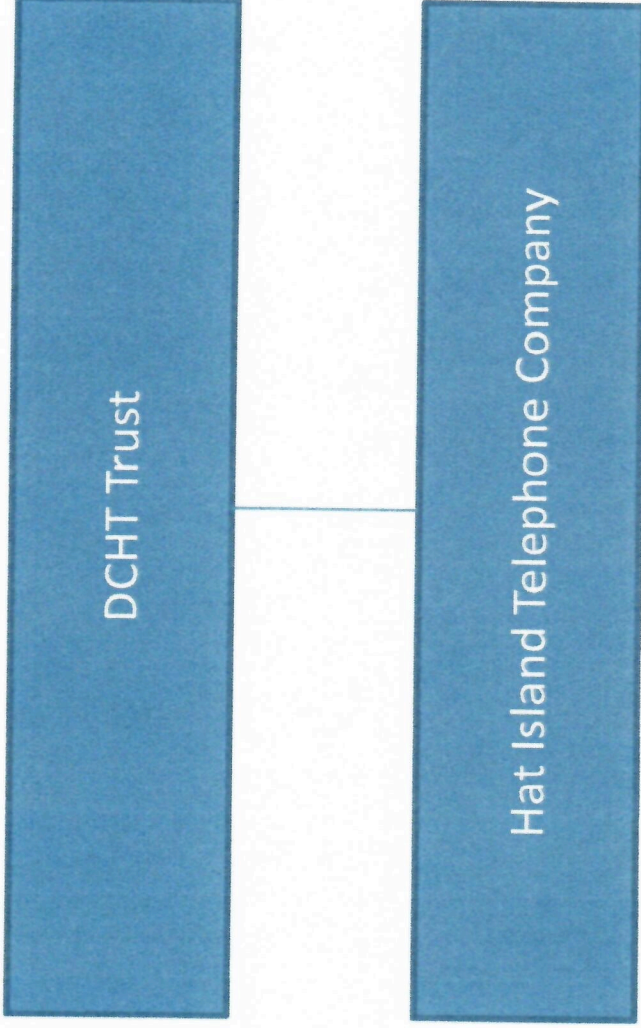


EXHIBIT 2

EXHIBIT 2

DESCRIPTION OF TRANSACTIONS BETWEEN COMPANY AND AFFILIATES

The following are transactions between Hat Island Telephone Company (“Company”) and the Company affiliate that is shown in Exhibit 1 that are recorded on the books of the Company:

Ownership and the Company

- Shareholder(s) of the Company receive distributions from the Company that the Company records as Distributions to Ownership.

PETITION OF HAT ISLAND TELEPHONE
COMPANY TO RECEIVE SUPPORT
FROM THE STATE UNIVERSAL
COMMUNICATIONS SERVICES
PROGRAM – EXHIBIT 2

EXHIBIT 3

REDACTED

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 **Hat Island 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 four 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

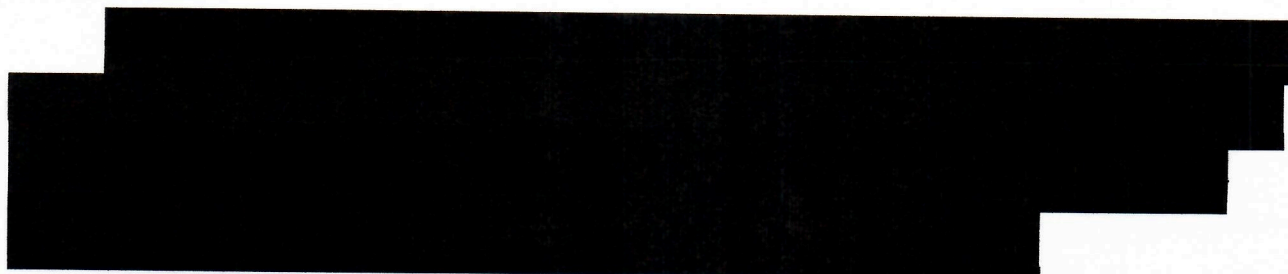
PETITION OF HAT ISLAND TELEPHONE
COMPANY TO RECEIVE SUPPORT FROM
THE STATE UNIVERSAL COMMUNICATIONS
SERVICES PROGRAM –

EXHIBIT 3 - 1

REDACTED

above the levels that it is providing today. Accordingly, the Company's broadband plan includes the following elements:

Broadband Plan:



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, 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.

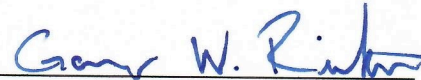
The foregoing Broadband Plan was adopted by Hat Island Telephone Company on August 3, 2020.

EXHIBIT 4

Certification Relating to Accounting Standards

I, Gary W. Ricketts, am an officer of Hat Island Telephone Company, (the Company as set out in the Petition to which this is an Exhibit). Thereby, I certify that the Company complies with state and federal accounting, cost allocation, and cost adjustment rules pertaining to an incumbent local exchange carrier for the period of time that the Company will receive support under the Petition to which this is an Exhibit.

This Certification is a sworn statement made under the penalty of perjury as set forth in RCW 9A.72.085 and is made this 27th day of July, 2022.



Gary W. Ricketts
Secretary & Treasurer

EXHIBIT 5

FOR EXHIBIT 5
 Unbundled Monthly Rate Charge for Broadband Services
 HAT ISLAND TELEPHONE COMPANY

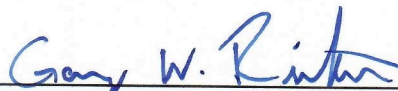
| Download Speed (Mbps) (up to) | Upload Speed (Mbps) (up to) | Type | Prior Year End of Year 2020 | Current Year End of Year 2021 |
|----------------------------------|--------------------------------|-------|-----------------------------------|-------------------------------------|
| 10 | 3 | DSL | \$43.00 | \$43.00 |
| 20 | 3 | DSL | \$50.00 | \$50.00 |
| 30 | 3 | DSL | \$60.00 | \$60.00 |
| 30 | 10 | DSL | \$70.00 | \$70.00 |
| 50 | 10 | DSL | \$80.00 | \$80.00 |
| 50 | 20 | DSL | \$90.00 | \$90.00 |
| 100 | 100 | Fiber | \$60.00 | \$60.00 |
| 300 | 300 | Fiber | \$80.00 | \$80.00 |
| 1000 | 1000 | Fiber | \$90.00 | \$90.00 |

EXHIBIT 6

CONTINUED OPERATIONS CERTIFICATE

I, Gary W. Ricketts, an officer of Hat Island Telephone Company (the Company as set out in the Petition to which this is an Exhibit), 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 and will continue to provide broadband services throughout its service territory in Washington for which the Company is seeking and receives Program support during the entirety of 2023.

Dated at Langley, Washington this 27th day of July, 2022.



By: Gary W. Ricketts

Title: Secretary & Treasurer

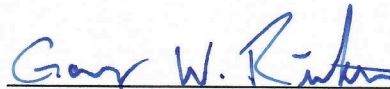
EXHIBIT 7

Certification of Eligibility

I, Gary W. Ricketts, am an officer of Hat Island 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 falls into criterion four of WAC 480-123-110 and that the Company has broadband service available to one hundred percent of active customer locations within the Company's service area and the Company commits to making broadband service available to any new active customer locations within the Company's service area if such arise.

This Certification is a sworn statement made under the penalty of perjury as set forth in RCW 9A.72.085 and is made this 27th day of July, 2022.



By: Gary W. Ricketts

Title: Secretary & Treasurer