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August 7, 2006

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive SW  
Olympia, WA 98504-7250

Re: Request for Certification Pursuant to WAC 480-123-060 and  
47 C.F.R. §54.314

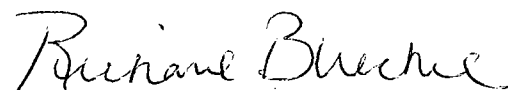
Dear Ms. Washburn:

Pursuant to WAC 480-123-060, Hood Canal Telephone Company ("Company") hereby requests that the Washington Utilities and Transportation Commission certify that the Company has met the requirements of 47 C.F.R. §54.314 for eligibility for continued receipt of federal high-cost funds.

The certifications and reports that are specified in WAC 480-123-060, WAC 480-123-070 and WAC 480-123-080 are enclosed.

For the Commission's information, the Company runs a Lifeline informational advertisement on our local cable channel continuously, posts Lifeline/WTAP information in both the Union and Shelton offices, distributes Lifeline/WTAP information flyers when door tagging new customers, and posts Tribal Lifeline information at the tribal center and information concerning the Lifeline program is included in the tribal newsletter.

Sincerely,



Richard Buechel  
President

Enclosures

**AFFIDAVIT CONTAINING CERTIFICATIONS  
PURSUANT TO WAC 480-123-060 AND WAC 480-123-070**


I, Richard Buechel, being of lawful age, state that I am President of Hood Canal Telephone Company ("Company"), that I am authorized to execute this Affidavit on behalf of the Company, and that the facts set forth in this Affidavit are true to the best of my knowledge, information and belief. On this basis, I hereby certify to the Washington Utilities and Transportation Commission ("Commission") for use by the Commission in providing the certification to the Federal Communications Commission and Universal Service Administrative Company required by 47 C.F.R. §54.314, as follows:

- (1) That the Company will use federal high-cost universal service fund support only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;
- (2) That during the 2005 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);
- (3) That during the 2005 calendar year, the Company maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wireline carriers in emergency situations; and
- (4) That during the 2005 calendar year, the Company publicized the availability of its applicable telephone assistance programs in a manner reasonably designed to reach those likely to qualify for service and in a manner which, in the Company's judgment, included advertisements likely to reach those who are not current customers of the Company within the Company's designated service area.

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

Dated this 7th day of August, 2006 at Union, Washington.

Company: Hood Canal Telephone Company

By: 

Its: President

**REPORTS AS REFERENCED IN WAC 480-123-070  
AND WAC 480-123-080**

Hood Canal Telephone Company (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.<sup>1</sup>

Report 1: WAC 480-123-070(1)(a): Attached are copies of the Company's NECA-1 Reports for the calendar years 2004 and 2005, that, as of the date of the report, the Company has reported as the basis for support from the federal high-cost fund.

Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses reported under Report 1, above, benefited customers as follows:

Through the expenditure of these funds, the Company was able to continue to provide services at a level that the Company believes meets the intent set forth in 47 U.S.C. §254 of providing quality telecommunications services to customers in the service area for which the Company is designated as an ETC.<sup>2</sup> The Company has made substantial investments over the past several years which allow it to provide quality telecommunications services to its customers in its designated ETC service area. Those expenditures and investments, including those reflected in Report 1 above, generally benefit all customers receiving the federal high-cost fund supported services from the Company within its designated ETC service area. The Company has expanded its network over the past several years so that it is capable of providing access to broadband services throughout the Company's designated ETC service area. The Company offers services that are comparable to services offered in urban areas at rates that are comparable to the rates for such services in urban areas.

Report 3: WAC 480-123-070(4): The Company reports that the Company is not aware of any complaints during calendar year 2005 to the Federal Communications Commission or the Consumer Protection Division of the Office of the Attorney General of the State of Washington concerning the services provided to its customers by the Company that are either subject to the regulatory jurisdiction of the Washington Utilities and Transportation Commission or among the services supported by the federal high-cost fund.<sup>3</sup>

Report 4: WAC 480-123-080(1)(b): The Company reports as follows:

As they are known to the Company at the date of this Report, the planned investment and expenses related to Washington state for the period January 1, 2006, through December 31, 2006, that the Company expects to use as a basis to request federal high-cost support

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<sup>1</sup> It is the Company's understanding that it is not required to submit the reports described in WAC 480-123-070(2) and (3).

<sup>2</sup> The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

<sup>3</sup> The references to the services supported by the federal high-cost fund is to the services designated for support as set forth in 47 C.F.R. §54.101(a).

are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2005, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials. The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company's investment plans directly affecting federal high-cost supported services offered by it in its designated ETC service area do not include a major construction project at the present time. The Company expects that it will have relatively the same level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2005.

Report 5: WAC 480-123-080(2): The Company reports as follows:

As they are known to the Company at the date of this Report, the planned investment and expenses related to Washington state for the period January 1, 2007, through December 31, 2007, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2005, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials. The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company's investment plans directly affecting federal high-cost supported services offered by it in its designated ETC service area do not include a major construction project at the present time. The Company expects that it will have relatively the same level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2005. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2007. The Company expects that the continued receipt of federal high-cost support will allow the Company to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas. All customers in the Company's designated ETC service area will benefit from the expected level of support by continuing to have available to them services that are comparable to the telecommunications services offered in urban areas at rates that are comparable to the rates for such services in urban areas.

APPLIES TO PERIOD: YEAR END 12/2004      REG: 5      PACIFIC  
 CONTACT NAME: Dawn Thompson      SST: 3      SUBSET 3  
 CONTACT PHONE: (360)-898-3296 EXT:      OO: \*\*\*\*\*  
 CASE STATUS: RELEASED      CO: 000002419      Hood Canal Tel. Co.  
 SOFT EDIT STATUS: PASSED EDIT      SAR: 522419      HOOD CANAL TEL CO

DESCRIPTION	PENDING VIEW	MESSAGE
060 TOTAL LOOPS	1,488	
070 CAT. 1.3 LOOPS	1,483	
160 ACCOUNT 2001	5,895,769	
170 ACCOUNT 1220	34,979	
190 ACCOUNT 3100	4,166,641	
195 ACCOUNT 3400	0	
210 ACCOUNT 4340	139,940	
220 NET PLANT ADJUSTMENT	1,624,167	
230 ACCOUNT 2210	1,059,899	
235 ACCOUNT 2220	0	
240 ACCOUNT 2230	1,072,821	
245 TOTAL CENTRAL OFFICE	2,132,720	
250 CKT EQUIP CAT 4.13	604,953	
255 ACCOUNT 2410	2,388,230	
260 ACCOUNT 3100 (2210)	753,769	
265 ACCOUNT 3100 (2220)	0	
270 ACCOUNT 3100 (2230)	762,959	
275 ACCOUNT 3100 (2210-2230)	1,516,728	
280 ACCOUNT 3100 (2410)	1,599,787	
310 ACCOUNT 4340 (2210)	53,492	
3 ) ACCOUNT 4340 (2220)	0	
32 ) ACCOUNT 4340 (2230)	27,469	
325 NET NONCURRENT	80,961	
330 ACCOUNT 4340 (2410)	60,246	
335 ACCOUNT 6110 TOTAL	10,312	
340 ACCOUNT 6110 BENEFITS	5,625	
345 ACCOUNT 6110 RENTS	0	
350 ACCOUNT 6120 TOTAL	119,941	
355 ACCOUNT 6120 BENEFITS	7,102	
360 ACCOUNT 6120 RENTS	53,054	
365 ACCOUNT 6210 TOTAL	157,806	
370 ACCOUNT 6210 BENEFITS	31,951	
375 ACCOUNT 6210 RENTS	0	
380 ACCOUNT 6220 TOTAL	0	
385 ACCOUNT 6220 BENEFITS	0	
390 ACCOUNT 6220 RENTS	0	
395 ACCOUNT 6230 TOTAL	77,936	
400 ACCOUNT 6230 BENEFITS	13,026	
405 ACCOUNT 6230 RENTS	0	
410 ACCOUNT 6210-6230	235,742	
430 ACCOUNT 6410 TOTAL	174,577	
435 ACCOUNT 6410 BENEFITS	33,142	
440 ACCOUNT 6410 RENTS	0	
445 TOTAL PLANT SPECIFIC	540,572	
450 ACCOUNT 6530 TOTAL	47,471	
455 ACCOUNT 6530 BENEFITS	14,544	
510 ACCOUNT 6560 (2210)	96,379	
51 ) ACCOUNT 6560 (2220)	0	
5 ) ACCOUNT 6560 (2230)	102,028	
525 ACCOUNT 6560 (2210-2230)	198,407	
530 ACCOUNT 6560 (2410)	127,612	

APPLIES TO PERIOD: YEAR END 12/2004      REG: 5      PACIFIC  
CONTACT NAME: Dawn Thompson      SST: 3      SUBSET 3  
CONTACT PHONE: (360)-898-3296 EXT:      OO: \*\*\*\*\*  
CASE STATUS: RELEASED      CO: 000002419      Hood Canal Tel. Co.  
SOFT EDIT STATUS: PASSED EDIT      SAR: 522419      HOOD CANAL TEL CO

DESCRIPTION	PENDING VIEW	MESSAGE
535 ACCOUNT 6710 TOTAL	176,795	
540 ACCOUNT 6710 BENEFITS	26,784	
550 ACCOUNT 6720 TOTAL	286,148	
555 ACCOUNT 6720 BENEFITS	34,658	
565 SUM OF LINES 535 + 550	462,943	
600 BEN. POR.OF ALL OP. EXP.	226,891	
610 RENT POR. OF ALL OP. EXP	53,054	
650 ACCOUNT 7200 OTHER TAXES	33,303	
700 2410 (C S TOTAL CWF - AV)	2,315,480	
710 2410 (C S CWF - CAT.1)	2,095,742	
800 ACCOUNT 2680 TOTAL	0	
805 ACCOUNT 2680 (2230)	0	
810 ACCOUNT 2680 (CAT. 4.13)	0	
815 ACC 2680 (2410) TOTAL CWF	0	
820 ACC 2680 (2410)CWF-CAT1	0	
830 ACCOUNT 6560 (2680)	0	

COMMENTS:

APPLIES TO PERIOD: YEAR END 12/2005  
 CONTACT NAME: Dawn Thompson  
 CONTACT PHONE: (360)-898-3296 EXT:  
 CASE STATUS: RELEASED  
 SORT EDIT STATUS: PASSED EDIT

REG: 5 PACIFIC  
 SST: 3 SUBSET 3  
 OO: \*\*\*\*\*  
 CO: 000002419 Hood Canal Tel. Co.  
 SAR: 522419 HOOD CANAL TEL CO

DESCRIPTION	PENDING VIEW	SOURCE
060 TOTAL LOOPS	1,517	EC
070 CAT. 1.3 LOOPS	1,487	EC
160 ACCOUNT 2001	5,922,237	EC
170 ACCOUNT 1220	23,268	EC
190 ACCOUNT 3100	4,520,851	EC
195 ACCOUNT 3400	0	EC
210 ACCOUNT 4340	106,835	EC
220 NET PLANT INVESTMENT	1,317,819	EC
230 ACCOUNT 2210	1,026,469	EC
235 ACCOUNT 2220	0	EC
240 ACCOUNT 2230	1,098,279	EC
245 TOTAL CENTRAL OFFICE	2,124,748	EC
250 CKT EQUIP CAT 4.13	620,438	EC
255 ACCOUNT 2410	2,430,341	EC
260 ACCOUNT 3100 (2210)	819,399	EC
265 ACCOUNT 3100 (2220)	0	EC
270 ACCOUNT 3100 (2230)	876,724	EC
275 ACCOUNT 3100 (2210-2230)	1,696,123	EC
280 ACCOUNT 3100 (2410)	1,747,216	EC
310 ACCOUNT 4340 (2210)	34,225	EC
3 ACCOUNT 4340 (2220)	0	EC
3 ACCOUNT 4340 (2230)	31,634	EC
325 NET NONCURRENT	65,859	EC
330 ACCOUNT 4340 (2410)	47,484	EC
335 ACCOUNT 6110 TOTAL	13,687	EC
340 ACCOUNT 6110 BENEFITS	3,906	EC
345 ACCOUNT 6110 RENTS	0	EC
350 ACCOUNT 6120 TOTAL	114,456	EC
355 ACCOUNT 6120 BENEFITS	5,523	EC
360 ACCOUNT 6120 RENTS	55,077	EC
365 ACCOUNT 6210 TOTAL	189,761	EC
370 ACCOUNT 6210 BENEFITS	35,729	EC
375 ACCOUNT 6210 RENTS	0	EC
380 ACCOUNT 6220 TOTAL	0	EC
385 ACCOUNT 6220 BENEFITS	0	EC
390 ACCOUNT 6220 RENTS	0	EC
395 ACCOUNT 6230 TOTAL	81,916	EC
400 ACCOUNT 6230 BENEFITS	12,721	EC
405 ACCOUNT 6230 RENTS	0	EC
410 ACCOUNT 6210-6230	271,677	EC
430 ACCOUNT 6410 TOTAL	166,297	EC
435 ACCOUNT 6410 BENEFITS	26,919	EC
440 ACCOUNT 6410 RENTS	0	EC
445 TOTAL PLANT SPECIFIC	566,117	EC
450 ACCOUNT 6530 TOTAL	51,917	EC
455 ACCOUNT 6530 BENEFITS	12,776	EC
510 ACCOUNT 6560 (2210)	102,694	EC
515 ACCOUNT 6560 (2220)	0	EC
5 ACCOUNT 6560 (2230)	106,547	EC
525 ACCOUNT 6560 (2210-2230)	209,241	EC
530 ACCOUNT 6560 (2410)	147,429	EC

APPLIES TO PERIOD: YEAR END 12/2005      REG: 5      PACIFIC  
 CONTACT NAME: Dawn Thompson      SST: 3      SUBSET 3  
 CONTACT PHONE: (360)-898-3296 EXT:      OO: \*\*\*\*\*  
 RELEASE STATUS: NOT RELEASED      CO: 000002419 Hood Canal Tel. Co.  
 SORT EDIT STATUS: PASSED EDIT      SAR: 522419      HOOD CANAL TEL CO

DESCRIPTION	PENDING VIEW	SOURCE
535 ACCOUNT 6710 TOTAL	175,633	EC
540 ACCOUNT 6710 BENEFITS	27,722	EC
550 ACCOUNT 6720 TOTAL	262,821	EC
555 ACCOUNT 6720 BENEFITS	28,833	EC
565 SUM OF LINES 535 + 550	438,454	EC
600 BEN. POR.OF ALL OP. EXP.	222,754	EC
610 RENT POR. OF ALL OP. EXP	55,077	EC
650 ACCOUNT 7200 OTHER TAXES	35,014	EC
700 2410 (C S TOTAL CWF - AV)	2,409,285	EC
710 2410 (C S CWF - CAT.1)	2,051,567	EC
800 ACCOUNT 2680 TOTAL	0	EC
805 ACCOUNT 2680 (2230)	0	EC
810 ACCOUNT 2680 (CAT. 4.13)	0	EC
815 ACC 2680 (2410) TOTAL CWF	0	EC
820 ACC 2680 (2410)CWF-CAT1	0	EC
830 ACCOUNT 6560 (2680)	0	EC

COMMENTS: