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EUGENE MALISZEWSKYJ
ENGINEERING CONSULTANT

June 30, 2015

ARTHUR BLOOSTON
1914 – 1999

WRITER'S CONTACT INFORMATION

gjd@bloostonlaw.com

202-828-5528

REDACTED – FOR PUBLIC INSPECTION

VIA HAND DELIVERY AND ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

**RE: Form 481 – Carrier Annual Reporting Data Collection Form
WC Docket No. 14-58
Whidbey Telephone Company (SAC 522452)**

Dear Ms. Dortch:

Pursuant to sections 54.313(i) and 54.422(c) of the Commission's Rules and the Commission's *Protective Order*¹ in this proceeding, Whidbey Telephone Company ("the Company") hereby submits two copies of its "FCC Form 481 – Carrier Annual Reporting Data Collection Form," which will be timely filed with the Universal Service Administrative Company and the appropriate state commission on or before July 1, 2014, and which includes a Redacted Confidential Document containing proprietary and confidential financial and 5-year service quality improvement plan progress report information that has been obscured.

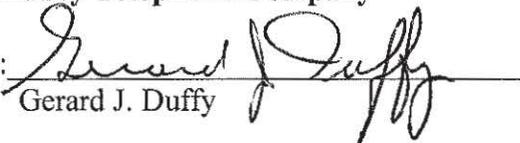
¹ *In the Matter of Connect America Fund, et al.*, PROTECTIVE ORDER, WC Docket No. 10-90, et al., DA 15-712, released June 17, 2015.

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The Company seeks confidential treatment under the *Protective Order* for the financial information included in its report pursuant to §54.313(f)(2). Confidential treatment of this information is appropriate on the grounds that it is commercially sensitive information that is not normally released to the public. The Company is also submitting a copy of its FCC Form 481 (including the Redacted Confidential Document) via the Electronic Comment Filing System.

The Company has submitted a separate letter requesting confidential treatment pursuant to Section 0.459 of the Commission's Rules for proprietary and confidential information contained in its progress report regarding its five-year service quality improvement plan.

Respectfully submitted,
Whidbey Telephone Company

By: 
Gerard J. Duffy

Its Attorney

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June 30, 2015

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REDACTED – FOR PUBLIC INSPECTION

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

**RE: Rule Section 0.459 Request for Confidential Treatment
Whidbey Telephone Company (SAC 522452)
WC Docket No. 14-58
FCC Form 481 – Carrier Annual Reporting Data Collection Form**

Dear Ms. Dortch:

Whidbey Telephone Company (“the Company”), by its attorney, hereby requests, pursuant to Section 0.459 of the Commission’s Rules, that the redacted portions of the Company’s “2015 Progress Report” for its 5-Year Quality Improvement Plan be withheld from public inspection.

In accordance with Section 0.459(b) of the Commission’s Rules, the Company states:

1. The specific information for which confidentiality is sought is comprised of a report stating the capital investments and related maintenance and service provision expenditures that the Company has already made during Plan Year 2015 and that it project that it will make during the remainder of Plan Year 2015.
2. This information is submitted in compliance with the requirement in Section 54.313(a)(1) of the Commission’s Rules that recipients of high-cost support submit a progress report on their five-year service quality improvement plans.

REDACTED – FOR PUBLIC INSPECTION

3. This information regarding the nature and timing of the Company's construction and network improvement plans, and its capital expenditures and related operating expenses, is proprietary and confidential commercial and financial information that is routinely withheld from public inspection.

4. The voice and broadband services for which the 5-year service improvement plans have been prepared are subject to potential competition from competitive local exchange carriers, cable television system operators, electric power utilities, fixed and mobile wireless service providers, and/or satellite carriers. The nature and scheduling of the Company's network upgrades and the size and timing of its related capital and operating expenditures constitute very valuable competitive intelligence for any entity that may be contemplating or planning entry into one or more portions of the Company's service area.

5. There are numerous potential competitors and the nature and scheduling of the Company's network upgrades and the size and timing of its related capital and operating expenditures constitute very valuable competitive intelligence that can greatly assist the planning of any entity that may be contemplating entry into one or more portions of the Company's service area.

6. The Company limits internal access to its 5-year service improvement plan and progress reports to its key employees and consultants who need the information for planning, reporting and management purposes. The plan and progress reports are not posted on any Company website, or included in any Company press releases, reports or other documents that are available to the general public or to unrestricted portions thereof.

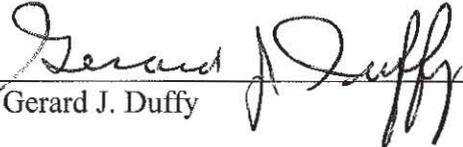
7. The Company does not make its 5-year service improvement plan or progress reports available to the public, and has not previously disclosed its plan or reports to third parties.

8. The Company requests that the individual annual charts included in the plan and the annual progress reports not be available for public disclosure until at least the end of the next full calendar year following the calendar year to which they apply. Competitors and potential competitors should not be able to see the Company's network deployment plans and actual expenditures for a particular year prior to the year, during the year, or during the year following the year (particularly because weather and other factors can cause construction delays). After that period, projects are generally completed, and competitors are able to observe directly or read published reports of what the Company actually did to improve its network and services.

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The Company notes that it is also redacting and claiming confidential treatment, pursuant to the Bureau's *Protective Order*, DA 15-712, released June 17, 2015, for the financial information submitted in compliance with the requirements of Section 54.313(f)(2) of the Commission's Rules.

Respectfully submitted,
Whidbey Telephone Company

By: 
Gerard J. Duffy

Its Attorney

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	522452
<015>	Study Area Name	WHIDBEY TEL CO.
<020>	Program Year	2016
<030>	Contact Name: Person USAC should contact with questions about this data	Trish Mason
<035>	Contact Telephone Number: Number of the person identified in data line <030>	3603210013 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	trish.mason@whidbeytel.com

ANNUAL REPORTING FOR ALL CARRIERS	54,313 Completion Required	54,422 Completion Required
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			(check box when complete)	
<100>	Service Quality Improvement Reporting	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200>	Outage Reporting (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> <- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300>	Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310>	Detail on Attempts (voice)	<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330>	Detail on Attempts (broadband)	<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	0.0010	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile	0.0	<input type="checkbox"/>	<input type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440>	Fixed	0.0	<input type="checkbox"/>	<input type="checkbox"/>
<450>	Mobile	0.0	<input type="checkbox"/>	<input type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	522452wa510.pdf	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations	<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	522452wa610.pdf	<i>(attached descriptive document)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710>	Company Price Offerings (broadband)	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800>	Operating Companies and Affiliates	<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)?	<i>(if yes, complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<1000>	Voice Services Rate Comparability Certification	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010>		<i>(attach descriptive document)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<1100>	Certify whether terrestrial backhaul options exist (Yes or No)	<input checked="" type="radio"/> <input type="radio"/> <i>(if no, check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>		<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers	<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet				
<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>				
<2000>		<i>(check to indicate certification)</i>	<input type="checkbox"/>	<input type="checkbox"/>
<2005>		<i>(complete attached worksheet)</i>	<input type="checkbox"/>	<input type="checkbox"/>
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet				
<3000>		<i>(check to indicate certification)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>		<i>(complete attached worksheet)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3050-0986/OMB Control No. 3050-0819
July 2013

<010>	Study Area Code	522452
<015>	Study Area Name	WHIDBEY TEL CO.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing § 54.202(a) "5	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

522452wa112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113>** Maps detailing progress towards meeting plan targets
- <114>** Report how much universal service (USF) support was received
- <115>** How much (USF) was used to improve service quality and how support was used to improve service quality
- <116>** How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117>** How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118>** Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Not Applicable

(900) Tribal Lands Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	522452
<015> Study Area Name	WHIDBEY TEL CO.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	2603210013 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
NA

(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	522452
<015>	Study Area Name	WHIDBEY TEL CO.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	522452
<015> Study Area Name	WHIDBEY TEL CO.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans



Name of Attached Document

<1220> Link to Public Website

HTTP <https://www.whidbeytel.com/products-services/voice-services/local-voice-service>

*Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

(2000) Price Cap Carrier Additional Documentation Data Collection Form Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers	FCC Form 481 OMB Control No. 3060-0985/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	
<015> Study Area Name	32248
<020> Program Year	WHIDBEY TEL CO.
<030> Contact Name - Person USAC should contact regarding this data	2016
<035> Contact Telephone Number - Number of person identified in data line <030>	FRANK MASON
<039> Contact Email Address - Email Address of person identified in data line <030>	360316013 EXL
	frank.mason@whidbeytel.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification (47 CFR § 54.313(b)(1)i)
- <2011a> 3rd Year Certification (47 CFR § 54.313(b)(1)ii)
- <2011b> Attachment (47 CFR § 54.313(b)(1)ii)

Name of Attached Document(s) Listing Required Information

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))

- <2012> 2013 Frozen Support Calculation (47 CFR § 54.313(c)(1))
- <2013> 2014 Frozen Support Calculation (47 CFR § 54.313(c)(2))
- <2014> 2015 Frozen Support Calculation (47 CFR § 54.313(c)(3))
- <2015> 2016 and future Frozen Support Calculation (47 CFR § 54.313(c)(4))

Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))

- <2016> Certification Support Used to Build Broadband

Connect America Phase II Reporting (47 CFR § 54.313(e))

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document(s) Listing Required Information

[3000] Rate Of Return Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3050-0986/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	S22452
<015> Study Area Name	WHIDBEY TEL CO.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	trish_mason@kbidbwyte.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202[a]) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010) Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313(f)(1)(i))

S22452wa3010.pdf

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

S22452wa3012.pdf

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (Yes/No)

(3014) If yes, does your company file the RUS annual report (Yes/No)

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

[Redacted]

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited? (Yes/No)

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information

S22452wa3026.pdf

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation (Continued)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0985/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	532452
<015> Study Area Name	WHIDBEY TEL CO.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext
<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

Financial Data Summary

(3027) Revenue	[REDACTED]
(3028) Operating Expenses	[REDACTED]
(3029) Net Income	[REDACTED]
(3030) Telephone Plant In Service(TPIS)	[REDACTED]
(3031) Total Assets	[REDACTED]
(3032) Total Debt	[REDACTED]
(3033) Total Equity	[REDACTED]
(3034) Dividends	[REDACTED]

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	522452
<015> Study Area Name	WHIDBEY TEL CO.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	3603210013 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	WHIDBEY TEL CO.
Signature of Authorized Officer:	CERTIFIED ONLINE Date 06/26/2015
Printed name of Authorized Officer:	Bruce Russell
Title or position of Authorized Officer:	COO
Telephone number of Authorized Officer:	3603210086 ext.
Study Area Code of Reporting Carrier:	522452 Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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Attachments

(800) Operating Companies

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	522452
<015>	Study Area Name	WHIDBEY TEL. CO.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	3403210013 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<810>	Reporting Carrier	Whidbey Telephone Company
<811>	Holding Company	Whidbey Telephone Company
<812>	Operating Company	Whidbey Telephone Company

<813>	<a1>	<a2>	<a3>
	Affiliates	SAC	Doing Business As Company or Brand Designation
	2012 George T.F. Henny Trust	522452	Whidbey Telephone Company
	2012 George T.F. Henny Trust	522452	Whidbey Telecom
	2012 George T.F. Henny Trust	522452	WhidbeyTV
	2012 George T.F. Henny Trust	522452	Bayview Storage
	2012 George T.F. Henny Trust	522452	Whidbey Telecom Internet & Broadband
	2012 George T.F. Henny Trust	522452	WiFire
	2012 Julia Henny DeMartini Trust	522452	Whidbey Telephone Company
	2012 Julia Henny DeMartini Trust	522452	Whidbey Telecom
	2012 Julia Henny DeMartini Trust	522452	WhidbeyTV
	2012 Julia Henny DeMartini Trust	522452	Bayview Storage
	2012 Julia Henny DeMartini Trust	522452	Whidbey Telecom Internet & Broadband
	2012 Julia Henny DeMartini Trust	522452	WiFire
	2012 Mark P. Henny Trust	522452	Whidbey Telephone Company
	2012 Mark P. Henny Trust	522452	Whidbey Telecom
	2012 Mark P. Henny Trust	522452	WhidbeyTV
	2012 Mark P. Henny Trust	522452	Bayview Storage
	2012 Mark P. Henny Trust	522452	Whidbey Telecom Internet & Broadband
	2012 Mark P. Henny Trust	522452	WiFire
	Western Long Distance, Inc.	522452	Western Long Distance
	Western Long Distance, Inc.	522452	Whidbey Telecom Long Distance
	Western Long Distance, Inc.	522452	Point Roberts Long Distance
	Western Long Distance, Inc.	522452	Hat Island Long Distance
	WaterCrest, Inc.	522452	WaterCrest, Inc.

WHIDBEY TELEPHONE COMPANY – 5-YEAR QUALITY IMPROVEMENT PLAN

2015 PROGRESS REPORT

PURSUANT TO 47 C.F.R. 54.202(a)

Whidbey Telephone Company (“WTC”) (“Company”) hereby submits this 2015 Progress Report relating to the 5-Year Service Quality Improvement Plan filed previously pursuant to 47 C.F.R. 54.202(a). This report documents proposed improvements or upgrades to the WTC network throughout its service area that have been implemented since January 1, 2015 through the date of this submission.

Total Support Received

Since January 1, 2015, WTC has received support in the amount of [REDACTED] (ICLS and ICC). This support was used to support expenditures relating to both Capital purchases as well the on-going maintenance and support requirements that allow WTC to expand and improve service offerings throughout its service area. During this same time period WTC has incurred Capital Expenditures of [REDACTED] and Operating Expenditures of [REDACTED]. These Operating Expenses include Plant Specific Operations, Plant Nonspecific Operations, and Customer Operations Expenses, but do not include Corporate Operations Expenses.

Accordingly, WTC apportions the support received as follows:

Capital Expenses	[REDACTED]
Operating Expenses	[REDACTED]
Total	[REDACTED]

The support breakdown by description is as follows:

Improve Service Quality	[REDACTED]
Improve Service Coverage	[REDACTED]
Improve Service Capacity	[REDACTED]
Total	[REDACTED]

Voice Services

The following is the 2015 excerpt from the 5-Year Service Quality Improvement Plan filed for Voice Services:

Network Improvements/Upgrades – Voice Services – For Calendar Year 2015				
Project Description (Specific proposed improvements and/or upgrades)	Estimated Start Date	Estimated Completion Date	Service Area Name	Estimated Population
[REDACTED]	01/01/2015	12/31/2015	[REDACTED]	1,578
[REDACTED]	01/01/2015	12/31/2015	[REDACTED]	17,252
[REDACTED]	01/01/2015	12/31/2015	[REDACTED]	17,252
[REDACTED]	01/01/2015	12/31/2015	[REDACTED]	17,252
[REDACTED]	01/01/2015	12/31/2015	[REDACTED]	15,938
[REDACTED]	01/01/2015	06/30/2015	[REDACTED]	15,938
[REDACTED]	01/01/2015	12/31/2015	[REDACTED]	17,252
[REDACTED]	01/01/2015	12/31/2015	[REDACTED]	17,252

Capital Expenditures

Since January 1, 2015, WTC has incurred [REDACTED] in Capital Expenditures relating directly to Voice Services. This amount is split between [REDACTED] for computer hardware/software replacements and upgrades and [REDACTED] for work related to underground facility repairs and improvements.

Operating Expenses

Since January 1, 2015, WTC has incurred [REDACTED] in Operating Expenses relating to Plant Specific Operations, Plant Non-Specific Operations and Customer Operations for Voice Services. This total does not include Corporate Operations Expenses. These expenses are critical to maintain and increase the quality, coverage and capacity of voice services within the Company service area. These expenses include material and labor expenses, and can be for a variety of purposes including, but not limited to, equipment repair and maintenance; service order fulfillment; customer service requests; equipment replacement and projects not otherwise capitalized; equipment/service monitoring; equipment/service testing; technical support both at premise and remotely; and service calls.

Key projects within Operating Expenses include the [REDACTED] which was completed in March 2015. This work commissioned the Call Feature Server which among other things, expanded the capacity of [REDACTED] that allows subscribers to self-manage select services and transactions. The upgrade included the most up-to-date software releases which minimize or eliminate system failures and improves the Company's ability to eliminate dropped calls. This type of upgrade is critical for the Company to maintain its record of high quality and reliability and significantly contributes to the Company's low incidence of outages.

Another key project was the Blade Retrofit. This project replaced 125 blades spread across six traffic aggregation points. This replacement was necessitated by the identification of a manufacturing defect that could potentially cause a catastrophic system failure and outage.

Broadband Services

The following is the 2015 excerpt from the 5-Year Service Quality Improvement Plan filed for Broadband Services:

Network Improvements/Upgrades – Broadband Services – For Calendar Year 2015				
Project Description (Specific proposed improvements and/or upgrades)	Estimated Start Date	Estimated Completion Date	Service Area Name	Estimated Population
[REDACTED]	01/01/2015	12/31/2015	[REDACTED]	1,578
[REDACTED]	01/01/2015	12/31/2015	[REDACTED]	17,252

	01/01/2015	12/31/2015		17,252
	01/01/2015	12/31/2015		15,938
	01/01/2015	06/30/2015		15,938
	01/01/2015	12/31/2015		17,252
	01/01/2015	12/31/2015		17,252

Capital Expenditures

Since January 1, 2015, WTC has incurred [REDACTED] in Capital Expenditures relating directly to Broadband Services. This project completed a fiber deployment to a new community within our service area, the Sunnyview Development. This development is a low income housing project, and the deployment of fiber to this development not only expanded our broadband coverage within our service area, it also serves as the basis for replacement of antiquated infrastructure in the core Freeland district of our service area. The improved infrastructure will allow improved quality and capacity in the core district, and will enable the Company to provide higher speeds to our high bandwidth customers in this area.

Operating Expenses

Since January 1, 2015, WTC has incurred [REDACTED] in Operating Expenses relating to Plant Specific Operations, Plant Non-Specific Operations and Customer Operations for Broadband Services. This total does not include Corporate Operations Expenses. These expenses are critical to maintain and increase the quality, coverage and capacity of Broadband Services within the Company service area. These expenses include material and labor expenses, and can be for a variety of purposes including, but not limited to, equipment repair and maintenance; service order fulfillment; customer service requests; equipment replacement not otherwise capitalized; equipment/service monitoring; equipment/service testing; technical support both at premise and remotely; and service calls.

A key component of Operating Expenses during the time period, was the installation of VDSL blades that replaced existing ADSL blades. This conversion to VDSL serves a number of purposes: increase download and upload capacity; improves quality of signals; eliminates pair bonding which reduces maintenance costs, reduces potential failures, and enhances the life of existing plant and facilities; increases capacity

and coverage for additional subscribers; and finally, improves quality of services with noise interference deterrent.

Commingled

Since January 1, 2015, WTC has incurred [REDACTED] in Capital Expenditures relating to projects that provide benefit to both Voice and Broadband services. The nature of these projects/expenditures are such that delineation between costs/benefits by service category would be prohibitive and arbitrary.

BLC Expansion

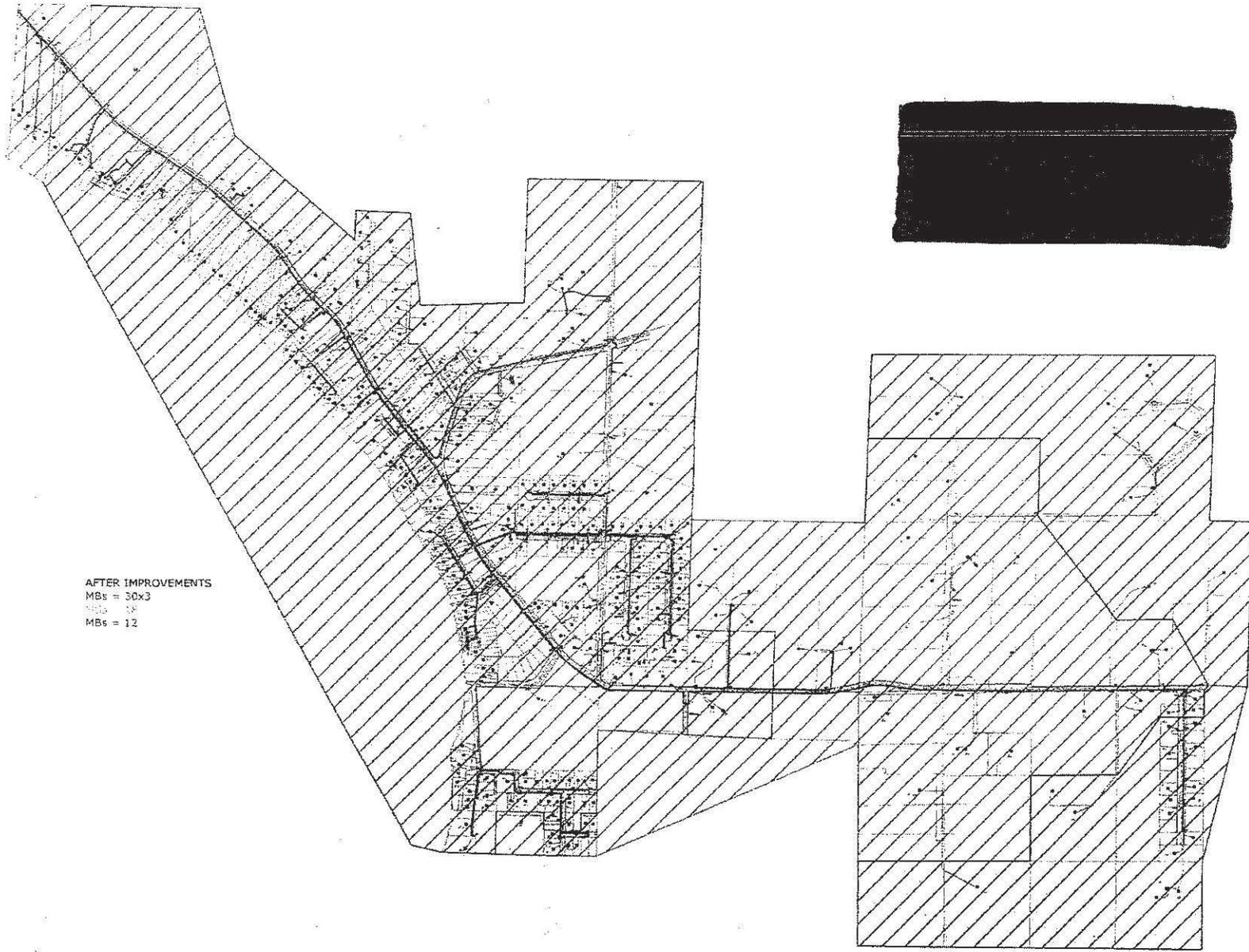
Since January 1, 2015, WTC has incurred [REDACTED] in expenditures relating to the installation of additional BLCs (Broadband Loop Carrier) per the 5-Year Plan. The completion and impact of the Mutiny Bay BLC in 2015 is shown in the map provided (See attached maps).

The addition of new BLCs in our service area extends fiber deeper into our network which in turn shortens copper loop lengths for both voice and broadband subscribers. These BLCs expand our service offerings to both existing and potentially new customers with greater reliability and higher quality.

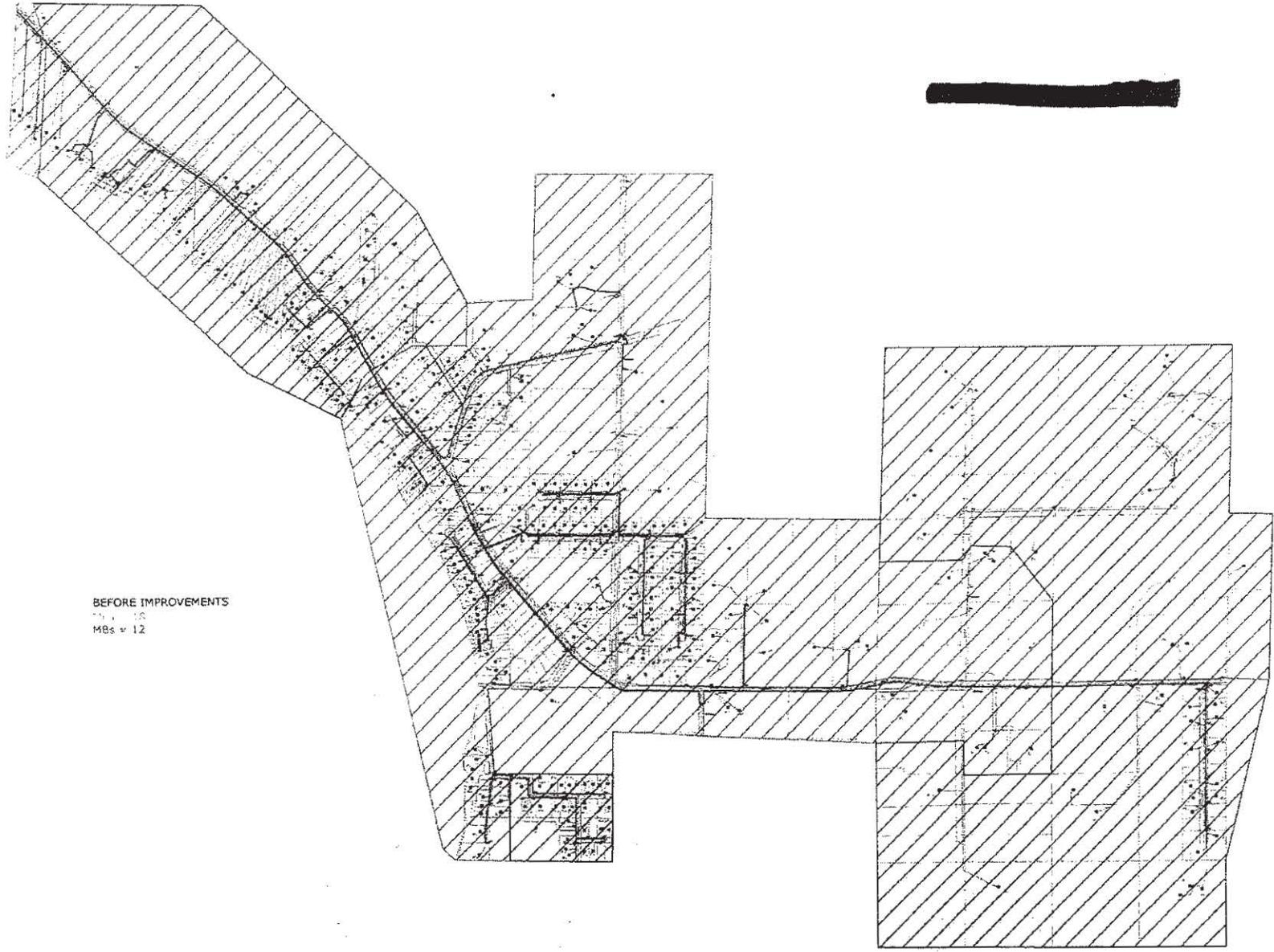
The company will continue to strategically add additional BLCs throughout the remainder of the 2015 calendar year based on customer needs and the identification of opportunities that will increase our service area coverage.

Network Upgrades

As part of maintaining/retiring/replacing existing end-of-life infrastructure hardware and software, since January 1, 2015, WTC has incurred [REDACTED] in capital expenditures relating to the upgrade of our network infrastructure. This project provided the Company with greater ability to manage diverse data and voice routes. It also increased the capacity of access transport network by providing for 10/40/100 GB wavelengths. It increases our Ethernet circuit capacity to fulfill customer requirements. This upgrade also improves traffic service reliability through net surveillance and monitoring. It limits potential points of failure which provides greater value to our customers. It also insures that we have the most up-to-date equipment for routing, transport and switching which provides the highest quality voice and Ethernet services to our service area.



AFTER IMPROVEMENTS
MBs = 30x3
MBs = 12



BEFORE IMPROVEMENTS
DL 1 10
MS 12

**Whidbey Telephone Company
FCC Form 481 (July, 2015), Line 510
Description of Processes and Procedures to Ensure
Compliance with Service Quality Standards and
Consumer Protection Rules Per Instructions
For Completing FCC Form 481**

This document details the processes and procedures that Whidbey Telephone Company (the "Company") follows to ensure compliance with service quality standards and consumer protections rules as set forth in the Instructions for Completing FCC Form 481.

For service quality standards that are affected by plant issues, the Company engineers and installs its plant and other facilities in such a way as to ensure, to the greatest extent possible, compliance with service quality standards that exist at the time that the plant and facilities are constructed. Plant is augmented, upgraded and/or reconfigured as needed.

In addition, Company employees are periodically briefed on issues involving service quality standards and consumer protection rules. In particular, if any set of issues appear to be prevalent, employees are given briefings on how to handle such issues. An example of such an issue is the call completion problems that have arisen and the customer calls that are generated as a result. Although this is not a service quality problem caused by the Company, it does affect customers of the Company and, therefore, deserves the attention of the Company employees.

The Company also periodically reviews its operating procedures to be sure that those operating procedures are in compliance with service quality standards and are not in violation of consumer protection rules. If questions arise, legal counsel is sought as needed.

If a complaint pertaining to the Company's compliance with service quality standards or consumer protection rules is received by the Company, the complaint is promptly investigated, the matter tracked and any corrective action noted. This process ensures that issues involved in the matter are addressed and corrections made, if needed.

Whidbey Telephone Company
FCC Form 481 (July, 2015), Line 610
Statement Describing Ability to Function in Emergency Situations
Per Instructions for Completing FCC Form 481

SUMMARY

Whidbey Telephone Company (the “Company”) has a long-standing tradition of providing reliable voice telephony services. Since 1961, it has been and continues to be the Company’s policy to bury all local distribution cable and wire. It is also the Company’s policy and standard operating procedure to install, and use when necessary, back-up power systems at all network node installation sites. In regard to the Company’s overall network design, the Company’s practices are consistent with Rural Utility Service (“RUS”) telecommunications industry best practices.

The Company operates and maintains transport transmission equipment of only the highest grade. Equipment specifications, which are consistent with the RUS specifications, require both redundant power and redundant circuit interfaces. All of the Company’s transport and switching equipment is monitored 7x24x365(366) by trained staff located at the Company’s network operations center.

NETWORK REDUNDANCY

The Company is a provider of voice telephony services to two geographically non-contiguous exchanges: the South Whidbey Exchange and the Point Roberts Exchange. The area of the Company’s South Whidbey Exchange service area is more than 67 square miles, and the Company’s Point Roberts Exchange service area includes approximately 6 square miles.

The Company operates two central office switches (each a “CO”): an access tandem and host switch at South Whidbey and a remote switch at Point Roberts. These switches are manufactured and supported by their manufacturer. The Point Roberts CO is connected to the Company’s South Whidbey CO via multiple diversely routed redundant facilities and is configured to maintain service in the event of a facility failure to the South Whidbey CO. The primary paths consist of a diversely routed optical fiber ring utilizing Synchronous Optical Network (“SONET”) technology. In addition the Company operates two diversely routed microwave transmission paths between South Whidbey and Point Roberts each of which provides multiple DS-3s capacity and which offer additional back-up capability.

The Company’s voice telephony network has diversely routed paths to multiple points of interconnection with the networks of other voice telephony carriers. The Company also operates a Multiprotocol Label Switching (“MPLS”) optical ring that connects its South Whidbey network with collocation facilities utilized by the Company outside its service area. The combination of the optical ring architecture and the DWDM capability of the Company’s core transport equipment provides a highly reliable circuit network for voice telephony communications with substantial opportunity for augmentation, if demand volumes were to so require.

The Company's presence in collocation facilities allows for multiple points of interconnection with both local and regional carriers, giving the Company the flexibility to route traffic to multiple carriers. During service impairment created by physical damage or extraordinarily high traffic, the Company has the capability to reroute voice telephony traffic through any of those collocation facilities.

The network architecture within the Company's South Whidbey service area is comprised of a host CO and a number of core aggregation points, or Optical Remote Sites ("ORSs"). All of the ORS locations are connected by a physically diverse optical DWDM ring, with any of those locations being capable of maintaining service in the event of a failure of that physical fiber cable.

Connectivity to the end-user customer base is accomplished by the placement of a number of Broadband Loop Carrier remote terminals ("BLCs") that subtend the ORSs or host CO. Each of these BLCs has optical diversity between the main CO and serving ORS. Some of the BLCs also have physical route diversity connected to the CO or ORS that they subtend.

The Company's employees are trained to operate, maintain and/or repair the Company's network facilities. Qualified Company personnel are available for call-out 24x7x365(366) in the event of a service outage. The Company maintains an inventory of critical spare electronic/optronic cards, as well as cabinets, cable and other related materials necessary for restoration on site at both South Whidbey and Point Roberts.

BACK-UP POWER

The Company maintains a power plant at each CO, ORS, BLC and microwave site with batteries capable of carrying the power load for several hours with the load typically transitioning more immediately to a generator back-up power generation.

In addition, the Company has installed back-up power generation at its COs, as well as at each of its ORSs, BLCs, and microwave installations. These generators range in size from 750kw to 5kw. Each generator has a dedicated fuel tank onsite designed to carry the power load for multiple days. All of these sites are equipped with automatic transfer switches and have monitoring equipment that provides monitoring visibility with respect to loss of external commercial power and transfer switch status. Upon recognition of loss of the commercial power source, the relevant automatic transfer switch is designed to automatically start the back-up generator and transfer the selected power source. Alarm messages are automatically reported to key personnel, as well as to the Company's 7x24x365(366) network operations center.

The Company has in-house staff trained to perform all maintenance of the power plant and has contract services available for support. Power distribution equipment within the Company's COs is inspected from time to time by vendor representatives to ensure proper maintenance. It is the Company's policy that all power plant maintenance be recorded and stored for future reference.

(800) Operating Companies
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	522452
<015>	Study Area Name	WHIDBEY TEL CO.
<020>	Program Year	2012
<030>	Contact Name - Person USAC should contact regarding this data	Trish Mason
<035>	Contact Telephone Number - Number of person identified in data line <030>	5603210013 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com
<810>	Reporting Carrier	Whidbey Telephone Company
<811>	Holding Company	Whidbey Telephone Company
<812>	Operating Company	Whidbey Telephone Company

<813>	<a1>	<a2>	<a3>
	Affiliates	SAC	Doing Business As Company or Brand Designation
	2012 George T.F. Henny Trust	522452	Whidbey Telephone Company
	2012 George T.F. Henny Trust	522452	Whidbey Telecom
	2012 George T.F. Henny Trust	522452	WhidbeyTV
	2012 George T.F. Henny Trust	522452	Bayview Storage
	2012 George T.F. Henny Trust	522452	Whidbey Telecom Internet & Broadband
	2012 George T.F. Henny Trust	522452	WiFire
	2012 Julia Henny DeMartini Trust	522452	Whidbey Telephone Company
	2012 Julia Henny DeMartini Trust	522452	Whidbey Telecom
	2012 Julia Henny DeMartini Trust	522452	WhidbeyTV
	2012 Julia Henny DeMartini Trust	522452	Bayview Storage
	2012 Julia Henny DeMartini Trust	522452	Whidbey Telecom Internet & Broadband
	2012 Julia Henny DeMartini Trust	522452	WiFire
	2012 Mark P. Henny Trust	522452	Whidbey Telephone Company
	2012 Mark P. Henny Trust	522452	Whidbey Telecom
	2012 Mark P. Henny Trust	522452	WhidbeyTV
	2012 Mark P. Henny Trust	522452	Bayview Storage
	2012 Mark P. Henny Trust	522452	Whidbey Telecom Internet & Broadband
	2012 Mark P. Henny Trust	522452	WiFire
	Western Long Distance, Inc.	522452	Western Long Distance
	Western Long Distance, Inc.	522452	Whidbey Telecom Long Distance
	Western Long Distance, Inc.	522452	Point Roberts Long Distance
	Western Long Distance, Inc.	522452	Hat Island Long Distance
	WaterCrest, Inc.	522452	WaterCrest, Inc.

REDACTED – FOR PUBLIC INSPECTION

(3005a) Operating Report for Privately-Held Rate of Return Carriers	FCC Form 481
Balance Sheet - Data Collection Form	OMB Control No. 3060-0906
Page 1 of 3	OMB Control No. 3060-0819
	April 2014

<010> Study Area Code	522452
<015> Study Area Name	WHIDBEY TEL CO.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	360-321-0013
<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

<input type="checkbox"/> Filed as reviewed single company <input type="checkbox"/> Filed as reviewed consolidated company <input type="checkbox"/> Filed as subsidiary of reviewed consolidated company	<input checked="" type="checkbox"/> Filed as audited single company <input type="checkbox"/> Filed as audited consolidated company <input type="checkbox"/> Filed as subsidiary of audited consolidated company
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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.

Trish Mason Signature 6/26/15 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	Redacted	Redacted	25. Accounts Payable	Redacted	Redacted
2. Cash-RUS Construction Fund	Redacted	Redacted	26. Notes Payable	Redacted	Redacted
3. Affiliates:			27. Advance Billings and Payments	Redacted	Redacted
a. Telecom, Accounts Receivable	Redacted	Redacted	28. Customer Deposits	Redacted	Redacted
b. Other Accounts Receivable	Redacted	Redacted	29. Current Mat. L/T Debt	Redacted	Redacted
c. Notes Receivable	Redacted	Redacted	30. Current Mat. L/T Debt-Rur. Dev.	Redacted	Redacted
4. Non-Affiliates:			31. Current Mat.-Capital Leases	Redacted	Redacted
a. Telecom, Accounts Receivable	Redacted	Redacted	32. Income Taxes Accrued	Redacted	Redacted
b. Other Accounts Receivable	Redacted	Redacted	33. Other Taxes Accrued	Redacted	Redacted
c. Notes Receivable	Redacted	Redacted	34. Other Current Liabilities	Redacted	Redacted
5. Interest and Dividends Receivable	Redacted	Redacted	35. Total Current Liabilities (25 thru 34)	Redacted	Redacted
6. Material-Regulated	Redacted	Redacted	LONG-TERM DEBT		
7. Material-Nonregulated	Redacted	Redacted	36. Funded Debt-RUS Notes	Redacted	Redacted
8. Prepayments	Redacted	Redacted	37. Funded Debt-RTB Notes	Redacted	Redacted
9. Other Current Assets	Redacted	Redacted	38. Funded Debt-FFB Notes	Redacted	Redacted
10. Total Current Assets (1 Thru 9)	Redacted	Redacted	39. Funded Debt-Other	Redacted	Redacted
			40. Funded Debt-Rural Develop. Loan	Redacted	Redacted
NONCURRENT ASSETS			41. Premium (Discount) on L/T Debt	Redacted	Redacted
11. Investment in Affiliated Companies			42. Recquired Debt	Redacted	Redacted
a. Rural Development	Redacted	Redacted	43. Obligations Under Capital Lease	Redacted	Redacted
b. Nonrural Development	Redacted	Redacted	44. Adv. From Affiliated Companies	Redacted	Redacted
12. Other Investments			45. Other Long-Term Debt	Redacted	Redacted
a. Rural Development	Redacted	Redacted	46. Total Long-Term Debt (36 thru 45)	Redacted	Redacted
b. Nonrural Development	Redacted	Redacted	OTHER LIAB. & DEF. CREDITS		
13. Nonregulated Investments	Redacted	Redacted	47. Other Long-Term Liabilities	Redacted	Redacted
14. Other Noncurrent Assets	Redacted	Redacted	48. Other Deferred Credits	Redacted	Redacted
15. Deferred Charges	Redacted	Redacted	49. Other Jurisdictional Differences	Redacted	Redacted
16. Jurisdictional Differences	Redacted	Redacted	50. Total Other Liabilities and Deferred Credits (47 thru 49)	Redacted	Redacted
17. Total Noncurrent Assets (11 thru 16)	Redacted	Redacted	EQUITY		
			51. Cap. Stock Outstanding & Subscribed	Redacted	Redacted
PLANT, PROPERTY, AND EQUIPMENT			52. Additional Paid-In-Capital	Redacted	Redacted
18. Telecom, Plant-in-Service	Redacted	Redacted	53. Treasury Stock	Redacted	Redacted
19. Property Held for Future Use	Redacted	Redacted	54. Membership and Cap. Certificates	Redacted	Redacted
20. Plant Under Construction	Redacted	Redacted	55. Other Capital	Redacted	Redacted
21. Plant Adj., Nonop. Plant & Goodwill	Redacted	Redacted	56. Patronage Capital Credits	Redacted	Redacted
22. Less Accumulated Depreciation	Redacted	Redacted	57. Retained Earnings or Margins	Redacted	Redacted
23. Net Plant (18 thru 21 less 22)	Redacted	Redacted	58. Total Equity (51 thru 57)	Redacted	Redacted
24. TOTAL ASSETS (10+17+23)	Redacted	Redacted	59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	Redacted	Redacted

(3005b) Operating Report for Privately-Held Rate of Return Carriers	FCC Form 487
Income Statement - Data Collection Form	OMB Control No. 3050-0986
	OMB Control No. 3050-0819
Page 2 of 3	April 2014

<010> Study Area Code	522452
<015> Study Area Name	Whidbey Tel Co.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	360-321-0013
<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	Redacted	Redacted
2. Network Access Services Revenues	Redacted	Redacted
3. Long Distance Network Services Revenues	Redacted	Redacted
4. Carrier Billing and Collection Revenues	Redacted	Redacted
5. Miscellaneous Revenues	Redacted	Redacted
6. Uncollectible Revenues	Redacted	Redacted
7. Net Operating Revenues (1 thru 5 less 6)	Redacted	Redacted
8. Plant Specific Operations Expense	Redacted	Redacted
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	Redacted	Redacted
10. Depreciation Expense	Redacted	Redacted
11. Amortization Expense	Redacted	Redacted
12. Customer Operations Expense	Redacted	Redacted
13. Corporate Operations Expense	Redacted	Redacted
14. Total Operating Expenses (8 thru 13)	Redacted	Redacted
15. Operating Income or Margins (7 less 14)	Redacted	Redacted
16. Other Operating Income and Expenses	Redacted	Redacted
17. State and Local Taxes	Redacted	Redacted
18. Federal Income Taxes	Redacted	Redacted
19. Other Taxes	Redacted	Redacted
20. Total Operating Taxes (17+18+19)	Redacted	Redacted
21. Net Operating Income or Margins (15+16-20)	Redacted	Redacted
22. Interest on Funded Debt	Redacted	Redacted
23. Interest Expense - Capital Leases	Redacted	Redacted
24. Other Interest Expense	Redacted	Redacted
25. Allowance for Funds Used During Construction	Redacted	Redacted
26. Total Fixed Charges (22+23+24-25)	Redacted	Redacted
27. Nonoperating Net Income	Redacted	Redacted
28. Extraordinary Items	Redacted	Redacted
29. Jurisdictional Differences	Redacted	Redacted
30. Nonregulated Net Income	Redacted	Redacted
31. Total Net Income or Margins (21+27+28+29+30-26)	Redacted	Redacted
32. Total Taxes Based on Income	Redacted	Redacted
33. Retained Earnings or Margins Beginning-of-Year	Redacted	Redacted
34. Miscellaneous Credits Year-to-Date	Redacted	Redacted
35. Dividends Declared (Common)	Redacted	Redacted
36. Dividends Declared (Preferred)	Redacted	Redacted
37. Other Debits Year-to-Date	Redacted	Redacted
38. Transfers to Patronage Capital	Redacted	Redacted
39. Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]	Redacted	Redacted
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)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11)/7]		
46. Operating Accrual Ratio [(14+20+25)/7]		
47. TIER [(31+26)/26]		
48. DSCR [(31+26+10+11)/44]		

(3005c) Operating Report for Privately Held Rate of Return Carriers Cash Flow - Data Collection Form Page 3 of 3	FCC Form 481 OMB Control No. 3060-0986 OMB Control No. 3060-0819 April 2014
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<010> Study Area Code	522452
<015> Study Area Name	WHIDBEY TEL CO.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Trish Mason
<035> Contact Telephone Number - Number of person identified in data line <030>	360-321-0013
<039> Contact Email Address - Email Address of person identified in data line <030>	trish.mason@whidbeytel.com

PART C. STATEMENTS OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	Redacted
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	Redacted
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3. Add: Depreciation	Redacted
4. Add: Amortization	Redacted
5. Other (Explain) Partnership Distribution, Realized Gain-Sale of Investment, Noncash Operating Income	Redacted
Changes in Operating Assets and Liabilities	
6. Decrease/(Increase) in Accounts Receivable	Redacted
7. Decrease/(Increase) in Materials and Inventory	Redacted
8. Decrease/(Increase) in Prepayments and Deferred Charges	Redacted
9. Decrease/(Increase) in Other Current Assets	Redacted
10. Increase/(Decrease) in Accounts Payable	Redacted
11. Increase/(Decrease) in Advance Billings & Payments	Redacted
12. Increase/(Decrease) in Other Current Liabilities	Redacted
13. Net Cash Provided/(Used) by Operations	Redacted
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	Redacted
15. Increase/(Decrease) in Notes Payable	Redacted
16. Increase/(Decrease) in Customer Deposits	Redacted
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	Redacted
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	Redacted
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	Redacted
20. Less: Payment of Dividends	Redacted
21. Less: Patronage Capital Credits Retired	Redacted
22. Other (Explain)	Redacted
23. Net Cash Provided/(Used) by Financing Activities	Redacted
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	Redacted
25. Other Long-Term Investments	Redacted
26. Other Noncurrent Assets & Jurisdictional Differences	Redacted
27. Other (Explain) Partnership Capital Distribution, Loans/Advances to Affiliates	Redacted
28. Net Cash Provided/(Used) by Investing Activities	Redacted
29. Net Increase/(Decrease) in Cash	Redacted
30. Ending Cash	Redacted



1501 Regents Blvd., Suite 100
Fircrest, WA 98466-6060

April 29, 2015

To the Board of Directors and Management of
Whidbey Telephone Company and Subsidiaries
Langley, Washington

To Management and the Board of Directors:

We have audited the financial statements of Whidbey Telephone Company and Subsidiaries (the "Company") as of December 31, 2014, and have issued our report thereon dated April 29, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 12, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Whidbey Telephone Company and Subsidiaries are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting these financial statements include management's estimate of the useful lives of property, plant and equipment, recoverability of long-term assets, fair value of financial instruments and investments, collectability of related party receivables and interstate revenue requirements all of which are based on prior experience with similar assets, liabilities and interstate filing requirements. Also included is management's estimate of the future maturities of long-term debt which are based on minimum required payments at current levels of debt.

Whidbey Telephone Company and Subsidiaries
April 29, 2015

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We evaluated these estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were regarding investments (Note 4), property, plant and equipment (Note 5), notes payable and long-term debt (Note 6), leases and service agreements (Note 8), various related party transactions (Notes 4 and 10), and subsequent events (Note 11).

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 29, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the

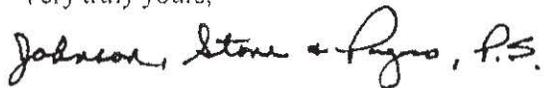
Whidbey Telephone Company and Subsidiaries
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financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Management and the Board of Directors of Whidbey Telephone Company and Subsidiaries and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



JOHNSON, STONE & PAGANO, P.S.



Independent Auditor's Report

To the Board of Directors
Whidbey Telephone Company
Langley, Washington

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Whidbey Telephone Company and Subsidiaries, which comprise the balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of income and comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
Whidbey Telephone Company

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Whidbey Telephone Company and Subsidiaries as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Johnson, Stone & Pagano, P.S.
JOHNSON, STONE & PAGANO, P.S.

April 29, 2015