

INLAND TELEPHONE COMPANY							54.313(a)(1)	
WASHINGTON OPERATIONS - SAC 522423								
FIVE YEAR FORECAST - NETWORK ADDITIONS								
As they are known to the Company at the date of this Report, the planned investments and forecasted expenses related to Washington operations (Study Area Code 522423) for the period January 1, 2015 through December 31, 2019, are listed below. The Company expects to use all Universal Service Fund support received in order to fund the expenses related to the provisioning, maintenance and services provided over these upgraded facilities as well as existing facilities and to service the debt with the Rural Utility Service created in order to make these improvements; improving service quality, coverage and capacity. The Company (SAC 522423) received \$1,405,686 in federal high-cost support for the calendar year ended December 31, 2014. The Company expects that the continued receipt of Universal Service Fund support will aid the Company's efforts to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas of which all customers and potential customers in the Company's designated ETC service area will benefit.								
The Company forecasted for 2014, that upgrades to the facilities in its Prescott exchange would be \$1,350,000; upgrading fiber-to-the-node, upgrading carrier cabinets (shortening loop lengths) and establishing an Ethernet point of connection. The actual cost of the upgrades at its Prescott exchange totaled \$1,412,768.								
The Company forecasted for 2014, that upgrades to the facilities in its Uniontown exchange would be \$1,430,000; upgrading fiber-to-the-node utilizing a ring and upgrading carrier cabinets (shortening loop lengths). The actual cost of the upgrades at its Uniontown exchange totaled \$2,008,504.								
The Company forecasted for 2014, that upgrades to the facilities in its Roslyn exchange would be \$3,960,000; upgrading fiber-to-the-home. The Company started the build in 2014, however, Phase 1 of this four phase project was not completed by December 31, 2014. The Company has until October 16, 2016, in order to complete all RUS projects.								
				<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
DEWATTO (372)								
Access Lines (@ 12/31/2014)		312						
Data Subscribers (@ 12/31/2014)		226						
Fiber to the Node				550,000				
Electronics				100,000				
TOTAL DEWATTO				650,000				
PRESCOTT (849)								
Access Lines (@ 12/31/2014)		156						
Data Subscribers (@ 12/31/2014)		57						
ROSLYN (649)								
Access Lines (@ 12/31/2014)		1,201						
Data Subscribers (@ 12/31/2014)		885						
Fiber to the Premise				2,975,000	2,975,000			
Electronics				985,000	985,000			
TOTAL ROSLYN				3,960,000	3,960,000			
UNIONTOWN (229)								
Access Lines (@ 12/31/2014)		510						
Data Subscribers (@ 12/31/2014)		245						
TOTAL				4,610,000	3,960,000	0	0	0
FORECASTED OPERATING EXPENSES								
PLANT SPECIFIC OPERATIONS				1,457,325	1,441,041	1,425,496	1,410,657	1,396,495
PLANT NON-SPECIFIC OPERATIONS				345,974	352,713	359,653	366,800	374,159
ACCUMULATED DEPRECIATION				1,524,186	1,664,186	1,664,186	1,664,186	1,664,186
CUSTOMER OPERATIONS EXPENSES				547,052	561,660	572,913	581,524	588,081
CORPORATE OPERATIONS EXPENSES				796,624	773,478	750,218	727,103	704,347
TOTAL OPERATING EXPENSES				4,671,161	4,793,079	4,772,466	4,750,269	4,727,268