

**REPORTS AS REQUIRED BY WAC 480-123-070  
AND WAC 480-123-080**

Ellensburg Telephone Company (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.

Report 1: WAC 480-123-070(1)(a): Attached is a copy of the Company's NECA-1 Report for the calendar year 2008, 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 high quality telecommunications services to customers in the service area for which the Company is designated as an ETC. 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. These 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 service area. In addition, during 2009, the Company was engaged in a major investment project within its designated ETC service area as described below.

In 2010 the Company invested . . . . . to upgrade its Outside Plant network in the Ellensburg, Selah and Kittitas Exchanges. These upgrades provided for a platform to deliver more reliable local service and advanced telecommunications services to customers in these exchanges.

In addition to the foregoing, the Company completed an important fiber project in 2009. That project added fiber optic cable to the Company's backbone infrastructure at a cost of . . . . . This project extended fiber cable from the Ellensburg Central Office to Craig's Hill which is a main tower site for wireless carriers in the area. This has allowed for improved service to the wireless carriers and associated customers in the immediate area.

Report 3: WAC 480-123-070(4): The Company reports that during the calendar year 2009, the Company received no complaints from the Federal Communications Commission, and received no complaints from the Consumer Protection Division of the Office of the Attorney General of the State of Washington made by the Company's customers.

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 present and planned investment and expenses related to Washington state for the period calendar year 2010, 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 increase as the level of Construction activity has increase in relation to what was experienced in calendar year 2009, 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 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 2009.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service. As to the specific investment project identified above, it is expected that customers will benefit by increased reliability of service and the increased availability of a broader range of telecommunications services, including, but not limited to, advanced services.

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, 2011, through December 31, 2011, 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 increase as the level of construction activity has increased in relation to what was experienced in calendar year 2009, 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 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 2009. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2011.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service. As to the specific investment project identified above, it is expected that customers will benefit by increased reliability of service and the increased availability of a broader range of telecommunications services, including, but not limited to, advanced services.