REPORTS AS REFERENCED
IN WAC 480-123-070 and WAC 480-123-080

ELLENSBURG TELEPHONE COMPANY D/B/A FAIRPOINT COMMUNICATIONS

Report 1 - Use of Federal Funds and Benefits to Customers

WAC 480-123-070(1)(a)
1A – Effective January 1, 2012, the FairPoint rural rate-of-return ILECs were subject to revised USF rules established by the FCC's Transformation Order. Under these rules, the rate-of-return affiliates of predominantly price cap holding companies are to be treated as price cap carriers for purposes of the Connect America Fund (CAF) program. As such, the FairPoint rate-of-return affiliates received Frozen High Cost Support starting January 1, 2012, that was based on all forms of high cost support received during 2011. Frozen High Cost Support will continue until the FCC implements the CAF Phase II funding program; therefore, support received by the Company is not based on the Company's investment and expenses.

WAC 480-123-070(1)(b)
1B – The company reports that investments and expenses 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 generally benefit all customers receiving the federal high-cost fund supported services from the Company within its designated service area. In addition, during 2014, the Company was engaged in a major investment project within its designated ETC service area as described below.

In 2014 the Company invested $689,676 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. Also the continued process to migrate customers to the 2012 installed soft switch.

In addition to the foregoing, the Company has invested $112,054 in outside plant infrastructure due to road project. With past and current growth the local state, county and city entities have began upgrading the transportation infrastructure. With a majority of these road projects the Company finds its telecommunication infrastructure in conflict with the road design.

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, 2015, through December 31, 2015, 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 previously, 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 2014, 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 2014. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2015.

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 4 - Report on Complaints per 1000 handsets or lines

WAC 480-123-070(4)
The Company reports that 2 total complaints were received during the calendar year 2013. One was filed by a customer with the Federal Communications Commission and one was received from the Washington UTC.

UTC Complaint 116537 – The customer received a bill that was double his previous month's bill. He had made no changes and had no past due balance. The error was the result of the billing lifeline reform. Credits were removed from customer accounts and inadvertently not put back onto the account of several customers. This error has been corrected and all accounts properly credited.

FCC Complaint 13-C00457028-1 – The customer terminated her TV services prior to the conclusion of her term and was charged an early termination fee. The customer disputed the fee because she claims she terminated due to poor service quality. The customer had no reported troubles on her account, but the account manager waived the early termination fee as a courtesy.