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November 14, 2014

## VIA E-FILING AND HAND DELIVERY

Mr. Steven V. King, Executive Director and Secretary Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, WA 98504-7250

Re:

Ellensburg Telephone Company d/b/a FairPoint Communications - UT-143022 -

Supplement to Petition for Support

Dear Mr. King:

On July 31, 2014, Ellensburg Telephone Company d/b/a FairPoint Communications ("FairPoint") filed a Petition for Support from the Universal Service Program administered by the Commission. That Petition for Support was assigned the docket number identified above. The purpose of this letter is to file a Supplement to that Petition for Support. The original and four copies of this Supplement are being filed by hard copy. A copy has also been filed electronically.

One of the criteria for receiving support from the Universal Service Program is whether customers are at risk of service interruptions or cessations. RCW 80.36.650(3)(b). In addition, it is clear that the expectation is that communications providers will use funds that they receive from the Universal Service Program to prepare for the changes that are occurring in the telecommunications environment. Specifically, the Commission has set out an expectation that a company will look for operational efficiencies and make business plan modifications to undertake to transition or expand from the primary provision of legacy voice telephone service to broadband service or to otherwise reduce its reliance on support from the Universal Service Program. This expectation is contained in the reporting requirements set out in WAC 480-123-130(1)(f).

FairPoint is concerned about the age of the infrastructure in the Ellensburg service area. This is a situation which could lead to interruptions in service. To address this condition, at least

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in part, FairPoint is planning on introducing new technologies to be the basis of providing service. This effort will be part of the transition from legacy voice telephone service.

As a result, FairPoint proposes that the money that it receives for the 2015 program year from the Universal Service Program be expended for a specific project designed to meet the goals of developing operational efficiencies and supporting the transition from legacy voice telephone service to broadband and other advanced services. Such a program will help reduce future reliance on the Universal Service Program over time.

The proposed project is to provision an augmentation for Voice over Internet Protocol (VoIP) service and power distribution addition. This includes an augmentation of existing facilities and a release upgrade to the Metaswitch soft switch software. Additionally there is a power distribution project driven by the upgrade of IP Core and Edge Router equipment avoiding service interruptions since existing power distribution is almost at exhaustion. These projects are further described on the spreadsheet that is attached to this letter. The estimate for these projects is \$382,800. This budget exceeds the amount that FairPoint is eligible to receive from the universal service fund under the current Universal Service Program rules for the Ellensburg service area. The additional monies for the project will be provided from internally generated funds.

FairPoint proposes that the distributions from the Universal Service Program for its Ellensburg service area be deposited in a specific account dedicated to the project that is described in this Supplement. FairPoint would provide a detailed report of the project, including expenditures and project progress, as part of its application for Universal Service Program funding for 2016, or, if no application is filed, then a separate detailed report of how the money was expended and the progress in accomplishing the project that is described in this Supplement.

Thank you for consideration of this project as proposed in this Supplement. If there are any further questions, please contact the undersigned.

RICHARD A. FINNIGAN

RAF/cs

cc: Client (via e-mail)