WASHINGTON UNIVERSAL SERVICE COMMUNICATIONS PROGRAM

WAC 480-123-130 REPORT

July 1, 2015

Docket No. UT-141554

St. John Telephone, Inc.

Filed electronically

Access Lines Served - WAC 480-123-130(1)(a)

January 1, 2014 December 31, 2014

Residential 431 412

Business 139 137

Use of Support - WAC 480-123-130(1)(b)

The funds received by St. John Telephone, Inc. (the "Company") from the universal service communications program represents monies that the Company formerly received through the Washington Exchange Carrier Association pooling process. As such, the funds from the universal service communications program contributed to the ongoing operation and maintenance expenses of the Company. The funds from the universal service communications program are contributing to the Company's ongoing provision of high-quality basic telecommunications service to customers residing in the area the Company serves.

In addition, the Company undertook acquiring new battery backup power for its central office and upgrading its billing computer equipment in the amount of $45,450. The funds received from the universal service communications program can be viewed as contributing to the Company's ability to perform those projects, including, without limitation, the repayment of loan funds it borrowed to fund its fiber-to-the-home project in previous years.

Unfilled Consumer Requests for New Basic Telecommunications Service\* (WAC 480-123-130(1)(c))

None

\* Service requests that are ongoing but still within normal processing times are not counted as unfulfilled.

FCC Form 477 - WAC 480-123-130(1)(e)

Currently, portions of FCC Form 477 submitted to the FCC in an electronic format do not create a readable report of the data. The FCC is developing 2014 reports that should be available no later than August 1, 2015. If these reports are not available by this date, the Company will work with Washington Utilities and Transportation Commission Staff to provide this information in an agreed upon format in a timely manner.

Report on Operational Efficiencies/Business Plan Modifications - WAC 480-123-130(1)(f)

The Company continually reviews its operations to determine if efficiencies can be achieved. The Company already has a plan in place to concentrate on improving broadband service while continuing to provide high-quality basic telecommunications service to the customers that are located within the area that the Company serves. The funds received from the universal service communications program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

Other information - WAC 480-123-130(1)(g) and (h)

Not applicable.

Certified Statement as required by WAC 480-123-130(1)(d):

I, Greg Morasch, am an officer of St. John Telephone, Inc., and upon personal knowledge and with responsibility therefore, hereby certify under penalty of perjury, that St. John Telephone, Inc. materially complied with Commission rules under Chapter 480-120 WAC that are applicable to the Company and its provision of service within the area for which the Company received universal service communications program support.

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General Manager