



Investigation Report

Ellensburg Telephone Company d/b/a
FairPoint Communications

UT-143633

Megan Banks
Compliance Investigations

March 2015

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PURPOSE, SCOPE AND AUTHORITY

Purpose

The purpose of this investigation is to determine whether Ellensburg Telephone Company d/b/a FairPoint Communications (FairPoint) has committed violations of commission rules related to the rates charged for its Joint User Business Subscriptions and Residential Foreign Listing services.

Scope

The scope of this investigation focuses on improper rates charged by FairPoint between April 1, 2013, and May 31, 2014.

Authority

Staff undertakes this investigation pursuant to Revised Code of Washington (RCW) 80.04.070, which grants the commission specific authority to conduct such an investigation.

Staff

Megan Banks, Compliance Investigator
(360) 664-1129
mbanks@utc.wa.gov

EXECUTIVE SUMMARY

In FairPoint's tariff revision, filed on May 23, 2014, the company stated that the rates billed for the Joint User Business Subscriptions and the Residential Foreign Listing services were different than the rates listed in its tariff for these services.¹ Commission staff determined a broader investigation was necessary to determine the scope and frequency of the improper charges.

An investigation into the business practices of FairPoint established that the company is in violation of commission rules and its own tariff, as follows:²

- 46 violations of RCW 80.36.130 for improperly charging a rate of \$3.45 instead of the approved tariff rate of \$0.95 for the listing service of Joint User business for 23 subscriptions (21 individual customers) between April 2013 and May 2013, for a total of \$115 in overcharges.
- 66 violations of RCW 80.36.130 for improperly charging a rate of \$3.45 instead of the approved tariff rate of \$0.95 for the listing service of Joint User business for 22 subscriptions (20 individual customers) between June 2013 and August 2013, for a total of \$165 in overcharges.
- 189 violations of RCW 80.36.130 for improperly charging a rate of \$3.45 instead of the approved tariff rate of \$0.95 for the listing service of Joint User business for 21 subscriptions (19 individual customers) between September 2013 and May 2014, for a total of \$472.50 in overcharges.
- Two (2) violations of RCW 80.36.110 for failure to provide statutory notice for tariff changes to the rates charges for the Joint User business subscription and the Residential Foreign Listing services.

During the two-year period of review, FairPoint improperly charged Joint User business subscription fees 301 times, for a total of \$752.50 in overcharges. There were no charges to any customers for the Residential Foreign Listing service. While staff can only look at the previous two years, due to the state's statute of limitations,³ it should be noted that according to FairPoint's written statements, the company had been charging the incorrect rates for more than eight years.

FairPoint was unable to determine whether the incorrect Joint User business subscription and Residential Foreign Listing service fees resulted from a manual or system-generated error. According to the company, the error occurred prior to the 2006 conversion of its billing system. Based on the documentation and information provided, the company did not file tariff revisions related to either of these rates prior to the tariff filing in May 2014. The

¹ See attachment A for a copy of the email correspondence from May 23, 2014 through June 2, 2014, between FairPoint and staff regarding the proposed tariff revisions.

² See attachment B for a copy of the company tariff in effect during the relevant time period, First revision sheet No. 126; Effective June 27, 2013.

³ RCW 4.16.100(2) allows the commission two years to file an action against the company from the time the cause of action accrues.

company did request a repagination of their tariff on June 26, 2013, including the page where the Joint User business subscription and Residential Foreign Listing service fees were listed.

Recommendation

Staff recommends the commission issue a formal complaint against FairPoint alleging 303 violations of commission laws and rules; and recommending a total penalty of up to \$32,100 for the following violations:

- Up to \$4,600 for 46 violations of RCW 80.36.130 for improperly charging a rate of \$3.45 instead of the approved tariff rate of \$0.95 for the listing service of Joint User business for 23 subscriptions (21 individual customers) between April 2013 and May 2013, for a total of \$115 in overcharges.
- Up to \$6,600 for 66 violations of RCW 80.36.130 for improperly charging a rate of \$3.45 instead of the approved tariff rate of \$0.95 for the listing service of Joint User business for 22 subscriptions (20 individual customers) between June 2013 and August 2013, for a total of \$165 in overcharges.
- Up to \$18,900 for 189 violations of RCW 80.36.130 for improperly charging a rate of \$3.45 instead of the approved tariff rate of \$0.95 for the listing service of Joint User business for 21 subscriptions (19 individual customers) between September 2013 and May 2014, for a total of \$472.50 in overcharges.
- Up to \$2,000 for two violations of RCW 80.36.110 for failure to provide statutory notice for tariff changes to the rates charges for the Joint User business subscription and the Residential Foreign Listing services.

Staff also recommends that FairPoint refund \$752.50 to its customers for monies collected through improper rate charges.

BACKGROUND

Company History

On May 23, 2014, FairPoint submitted a proposed tariff revision to the commission. On June 26, 2014, the commission approved the proposed tariff revisions, in Docket UT-141130.⁴

The company's 2013 annual report reflects FairPoint's total gross intrastate operating revenue as \$6,003,984. The 2012 annual report shows FairPoint's total gross intrastate operating revenue as \$6,798,006. The company provided 17,165 voice grade lines in 2012 and 15,759 voice grade lines in 2013.

Consumer Complaints

According to commission records, consumer protection staff received four complaints against FairPoint between 2010 and 2014. Of the four complaints, one was company upheld, one was company upheld with arrangements, and two were consumer upheld. If a complaint is company upheld, it means that the company acted properly with respect to the consumer's issues. If a complaint is company upheld with arrangements, it means that the company acted properly with respect to the consumer's issues, but other, unrelated, violations were recorded. Finally, if a complaint is customer upheld, it means that the actions of the company were improper and the customer's position is upheld.

Investigation

Staff initiated this investigation into FairPoint's business practices to determine whether the overcharge identified through the proposed tariff revision was widespread and ongoing. Staff determined a broader investigation was necessary to determine the scope and frequency of the improper charges.

⁴ See attachment C for a copy of the June 23, 2014, cover letter and initial filing on behalf of FairPoint.

INVESTIGATION

Data Request

On June 20, 2014, staff requested the following data from FairPoint:

- The current rates FairPoint was charging for all services to both residential and business customers in Washington state. The service rates were to be listed separately. In addition, the company was to include the prior rate and the date the current and prior rates went into effect.
- An explanation to why the tariff showed a different rate for Joint User Business Subscriptions and the Foreign Listing services than what the company was actually charging customers.
- A list of all customer complaints received in the past year (June 2013-May 2014) related to rate charges.
- Copies of all billing statements sent to customers over the past year (June 2013-May 2014) showing the rates charged. This was to only include bills that had charges related to Joint User Business Subscriptions or Foreign Listing services.

Staff requested that FairPoint respond to the data request no later than July 7, 2014.⁵ In addition, Staff requested that FairPoint provide a contact person for questions related to the data request. On June 24, 2014, and again on June 26, 2014, FairPoint requested clarification regarding the data request. On July 7, 2014, staff received an email from Beth Westman, FairPoint's State Government Affairs Manager, and from Pat Morse, FairPoint's Senior Vice President of Governmental Affairs, requesting a one-day extension to produce the data requested. Staff granted an extension to July 8, 2014.

On July 8, 2014, FairPoint provided the requested documentation as an email attachment.⁶

On Aug. 13, 2014, staff sent the company the following additional question: How many customers had Joint User Business Subscriptions between June 2012 and May 2013. FairPoint responded the same day and stated that in June 2012, the company had 22 customers (24 listings) that had Joint User Business Subscriptions and in May 2013, the company had 20 customers (22 listings) that had Joint User Business Subscriptions.

On Aug. 14, 2014, staff requested clarification from the company regarding the number of customers who had Joint User Business Subscriptions between June 2012 and May 2014. FairPoint responded on Aug. 21, 2014, and included documentation of the number of customers per month that had Joint User Business Subscriptions between June 2012, and May 2014.⁷

⁵ See attachment D for a copy of the data request sent to FairPoint on June 20, 2014.

⁶ See attachment E for a copy of FairPoint's data request response, including "attachment 1" that provides the company's current rates and history back to 2006.

⁷ See attachment F for a copy of FairPoint's documentation of the number of customers who received joint user listing business subscriptions between June 2012, and May 2014.

Scope of Investigation

Staff used the documents and information furnished from the data request, the subsequent response from FairPoint, FairPoint's tariff, and commission records to conduct this investigation.

Joint User Business Subscription and Residential Foreign Listing Service Fees

Investigation

RCW 80.36.130 states that no telecommunication company “shall charge, demand, collect or receive different compensation for any service rendered or to be rendered than the charge applicable to such service as specified in its schedule on file and in effect at that time...”

RCW 80.36.110 states that a telecommunication company may not make any changes in any rate, toll, rental, or charge, without providing the required notice to the commission and customers. Specifically, “[f]or changes to any rate, toll, rental, or charge filed and published in a tariff, the company shall provide thirty days’ notice to the commission and publication for thirty days as required in the case of original schedules in RCW 80.36.100.”

On May 23, 2014, FairPoint submitted an electronic tariff filing to the commission. Commission Regulatory Services staff contacted the company by email on May 27, 2014, requesting additional information about the tariff revisions, including the estimated annual revenue impact for the proposed price increase and the proposed language to let customers know about the increase in price.

On May 29, 2014, FairPoint’s State Government Affairs Manager, responded by email to commission Regulatory Services staff and stated that the annual revenue impact would be \$15,564 for both residential and business customers. In addition, she provided the notice, regarding the rate increase that customers would see on their June billing statements. Commission Regulatory Services staff responded by email on May 30, 2014, pointing out that the stated increased rates on the notice for Joint User Business Subscribers and Residential Foreign Listing services were less than the staff calculated rate increases using the company’s current tariff rates. Specifically, commission Regulatory Services staff pointed out that the current tariff rates for Joint User Business Subscriptions were \$0.95.

On June 2, 2014, FairPoint responded that there was “some discrepancy in the tariff vs the billing system. The [Joint User Business Subscription] rate in the tariff hasn’t been \$0.95 for a very long time... Additionally, this same type of situation applies to the Foreign Listings. We have been billing both business and residential customers \$0.95 for this service, but the tariff indicates \$0.45 for the [R]esidential [F]oreign [L]istings.” The rate the company had been charging for Joint User Business Subscription and Residential Foreign Listing services were higher than the rates listed in the tariff.⁸

On June 4, 2014, Commission Regulatory Services staff communicated their concerns regarding the Joint User Business Subscription and Residential Foreign Listing service rate discrepancies, and the company’s response, to the commission’s Consumer Protection and Communications division.

⁸ See attachment A for a copy of the email correspondence from May 23, 2014 through June 2, 2014, between FairPoint and staff regarding the proposed tariff revisions.

Staff reviewed the data FairPoint provided and found that the subscriptions to Joint User Business services were improperly charged a rate of \$3.45 instead of the approved tariff rate of \$0.95. The improper charges affected 23 subscriptions between April 2013 and May 2013; 22 subscriptions between June 2013 and August 2013; and 21 subscriptions between September 2013 and May 2014. According to the documentation and information provided, there were no subscriptions to Residential Foreign Listing services during the same time periods.

In its July 8, 2014, response, FairPoint stated that the billing “error” that caused customers to be charged a higher rate than the tariff rate for Joint User Business Subscriptions occurred prior to a 2006 billing system conversion. According to FairPoint, when the company examined a “few invoices prior to the billing system conversion, we discovered that the wrong rate had been billed before the [2006] billing conversion.” Based on their review, FairPoint could not determine exactly when or “why the rate in the billing system does not match the rate in the tariff” and had not discovered the discrepancy in the rate charged for the Joint User Business Subscriptions until they filed the recent tariff changes and commission Regulatory Services staff pointed out the discrepancy. According to FairPoint, while the rate for Residential Foreign Listing services were also to be charged at a different rate than the tariff rate, no customers actually received that service. Additionally, according to its response, FairPoint had not received any consumer complaints regarding rate charges between June 2013 and May 2014.

Findings

Staff finds that FairPoint violated RCW 80.36.130 a total of 301 times by charging non-tariffed rates for Joint User Business Subscriptions in conflict with those published in the company’s tariff WN U-4, Section 18, First Revision Sheet No. 126. In addition, staff finds FairPoint violated RCW 80.36.110 a total of two times by failing to provide statutory notice for tariff rate changes prior to changing the rates billed from \$0.95 to \$3.45 for Joint User Business Subscriptions and \$0.45 to \$0.95 for Residential Foreign Listing services. Although it is unclear when the rate changes occurred, but for the July 2014 tariff revision, the commission would not have known about the violations and FairPoint would have continued to profit from the improper charges.

RECOMMENDATION

Penalty

Staff typically recommends a per violation penalty against a regulated company where the violations result in serious customer harm; for repeat violations of a rule after a company receives technical assistance from staff; or for intentional violations of commission laws or rules. The commission has the authority to assess penalties of up to \$100 per violation, per day against a regulated company without providing the opportunity for a hearing.⁹ The commission has the authority to assess penalties of up to \$1,000 per violation, per day following a formal complaint and hearing.¹⁰ The commission also has the authority to order a public service company to refund overcharges for any service rendered in excess of the lawful rate in force at the time of such charge following a formal complaint and hearing.¹¹

In this investigation, staff documented 301 violations of RCW 80.36.130 and the company's tariff resulting from an overcharge of Joint User Business Subscriptions assessed between April 2013 and June 2014. The violations resulted in the company overcharging customers a total of \$752.50. In addition, staff documented two violations of RCW 80.36.110 related to the failure to provide statutory notice for tariff changes to the rates charged for the Joint User Business Subscription and Residential Foreign Listing services. Staff considered the following factors to determine the recommended penalty amount:

1. How serious or harmful the violation is to the public.

Staff believes the violations caused serious harm to customers. Of the 303 violations cited in this report, 301 directly impacted customers. Charging incorrect rates for services are violations with significant impacts. FairPoint customers were assessed a charge that was \$2.50 higher than the tariff rate for the Joint User business subscription. This caused an overcharge to the customers of \$30 per year for each subscription to the service. While staff limited its investigation to the past two years due to the state's statute of limitations, it should be noted that according to FairPoint's written statements, the company had been charging the incorrect rates for more than eight years.

2. Whether the violation is intentional.

Regulated companies have a responsibility to charge rates according to statutory, rule, and tariff requirements. It is the company's responsibility to ensure that the rates charged are in compliance with the approved tariff rates. Charging incorrect rates for more than eight years supports a finding that the violations were intentional.

⁹ RCW 81.04.405 allows the commission to assess an administrative penalty for any violation by a regulated company of a statute, rule, the company's own tariff or an order of the commission.

¹⁰ RCW 81.04.380 allows the commission to assess a penalty of up to \$1,000 for each violation after hearing.

¹¹ RCW 81.04.230 allows the commission to order refunds for any service rendered in excess of the lawful rate in force at the time of such charge.

3. Whether the company self-reported the violation.

The violations occurred between April 2013 and June 2014. Staff received a tariff revision request in May 2014. Commission Regulatory Services staff reviewed the tariff and communicated with the company regarding the discrepancies in the rate charged and the tariff rate of Joint User Business Subscriptions and Residential Foreign Listing services. The company admitted that the billing rates were different than the tariff rates and had been for a “long time.” Commission Regulatory Services staff communicated their concerns, and the company’s response, regarding the rate discrepancies to the commission’s Consumer Protection and Communications division, who began this investigation. The company did not, on its own initiative, refund the overcharge to the individuals who were billed the non-tariff rate. The company also did not, on its own initiative, investigate the overcharge to determine whether it was widespread and ongoing. Staff does not believe the evidence supports a finding that FairPoint self-reported the violation.

4. Whether the company was cooperative and responsive.

Staff believes that the company has been cooperative, and has responded timely to staff requests for information.

5. Whether the company promptly corrected the violations and remedied the impacts.

The tariff revision that went into effect on July 1, 2014, corrected the rates for the Joint User Business Subscriptions and the Residential Foreign Listing services. However, based on the information provided, the company has not provided any refunds to any customers who subscribed to the Joint User business subscription service between April 2013 and June 2014. Staff believes the company has not promptly remedied the impacts.

6. The number of violations and the number of customers affected.

FairPoint committed a 301 violations between April 2013 and June 2014 by billing rates for the Joint User Business Subscription service that did not match the rates in its published tariff, and another two violations for not providing statutory notice to customers for rate changes in its Joint User Business Subscription and Residential Foreign Listing services. Approximately 21 per month customers were affected by the Company’s overcharge. Many of the customers affected were impacted multiple times during the eight plus years of violations. Staff believes that the number of violations, 301, is substantial.

7. The likelihood of recurrence.

Absent a comprehensive compliance plan to ensure billing rates are consistent with tariff rates, staff believes that the violations are likely to recur.

8. The company's past performance regarding compliance, violations and penalties.

The company does not have a history of violations or penalties. In four years, the company has had four consumer complaints against it. Of the four complaints, two were consumer upheld. None of the complaints were related to Joint User business subscription or Residential Foreign Listing service rates or charges.

9. The company's existing compliance program.

Staff is not aware of any existing compliance program. The volume of the violations create a presumption that the company does not have a compliance program in place to prevent improper charges. The company likely would not have corrected the improper rates but for commission staff questioning the rates in the company's submitted tariff revision.

10. The size of the company.

FairPoint provided 17,165 voice grade lines in 2012, and 15,759 voice grade lines in 2013. The company reported a total gross intrastate operating revenue of \$6,798,006 in 2012, and a total gross intrastate operating revenue of \$6,003,984 in 2013.

Recommendation

Staff recommends the commission issue a formal complaint assessing a total penalty of up to \$32,100 for the following violations.

- Up to \$4,600 for 46 violations of RCW 80.36.130 for improperly charging a rate of \$3.45 instead of the approved tariff rate of \$0.95 for the listing service of Joint User business for 23 subscriptions (21 individual customers) between April 2013 and May 2013, for a total of \$115 in overcharges.
- Up to \$6,600 for 66 violations of RCW 80.36.130 for improperly charging a rate of \$3.45 instead of the approved tariff rate of \$0.95 for the listing service of Joint User business for 22 subscriptions (20 individual customers) between June 2013 and August 2013, for a total of \$165 in overcharges.
- Up to \$18,900 for 189 violations of RCW 80.36.130 for improperly charging a rate of \$3.45 instead of the approved tariff rate of \$0.95 for the listing service of Joint User business for 21 subscriptions (19 individual customers) between September 2013 and May 2014, for a total of \$472.50 in overcharges.
- Up to \$2,000 for two violations of RCW 80.36.110 for failure to provide statutory notice for tariff changes to the rates charges for the Joint User business subscription and the Residential Foreign Listing services.

Staff also recommends that FairPoint refund \$752.50 to its customers for monies collected through improper rate charges.

Additionally, staff recommends that FairPoint closely review this investigation report, which provides detailed technical assistance. Future violations will result in additional enforcement action, including penalties.

Attachment A

From: Westman, Beth [Portland, ME.] [mailto:beth.westman@fairpoint.com]
Sent: Monday, June 02, 2014 12:06 PM
To: Hahn, Roger (UTC)
Subject: RE: *UT-141130 - Ellensburg Telephone Company - Tariff Revision

Mr. Hahn:

As a follow up to your recent questions, the reason you are not seeing the Static IP reference in the schedule 18 is that Static IP is a non-regulated service and not in the tariffs. However, since we are raising the rate, we did want to be sure and notify customers.

And to reference your question about the rates, there seems to have been some discrepancy in the tariff vs. the billing system. The rate in the tariff hasn't been \$0.95 for a very long time. Customers have been paying \$3.45 for Joint User Listings and so this change will really only reflect a \$0.50 increase to the billed rate for customers.

Additionally, this same type of situation applies to the Foreign Listings. We have been billing both business and residential customers \$0.95 for this service, but the tariff indicates \$0.45 for residential foreign listings. We also increased this rate to \$1.45, which is really a \$0.50 increase to customers, both res and bus.

Once I am sure that you are comfortable with all the changes, I'll submit the updated tariff pages with the correct page numbers and revision language as Cathy had requested.

Beth Westman - State Government Affairs Manager
Office: 207-535-4249

From: Hahn, Roger (UTC) [mailto:rhahn@utc.wa.gov]
Sent: Friday, May 30, 2014 11:37 AM
To: Westman, Beth [Portland, ME.]; Kern, Cathy (UTC)
Cc: UTC DL Records Center
Subject: RE: *UT-141130 - Ellensburg Telephone Company - Tariff Revision

Ms. Westman,

Thank you for your response. With regards to the customer notification that makes reference to static IP blocks, what service is this referencing to on Schedule 18? I don't see a service in the rate section of schedule 18 described as static IP blocks. In addition, the customer notification states that there are price increases of \$0.50 and \$1; however, the extra listings for joint user business increased from \$0.95 to \$3.95 or a \$3 increase.

Please advise and make any necessary changes to the customer notification.

Regards,
Roger Hahn

From: Westman, Beth [Portland, ME.] [mailto:beth.westman@fairpoint.com]
Sent: Thursday, May 29, 2014 11:17 AM
To: Hahn, Roger (UTC); Kern, Cathy (UTC)
Cc: UTC DL Records Center
Subject: RE: *UT-141130 - Ellensburg Telephone Company - Tariff Revision

Mr. Hahn,

In response to your questions below, I have the following information:

The estimated annual revenue impact for this rate change is

\$8,940 annually for residential customers

\$6,624 annually for business customers

\$15,564 total estimated revenue impact

And below is the text that customers will see as a bill message on their June statements, one month prior to the effective date of the increase.

Description: Rate Increase
End Bill Date: June 2014
Criteria: Business & Residential customers subscribing to
Static IP Blocks and/or Directory Listing/s
Message Title: Important Information About Your Services

Message Text

Ellensburg Telephone Company is raising the monthly rate for residential and business Static IP blocks by \$1.00 per service and Non-Listed, Non-Published, Additional, Joint User, Number Hunt, Omit Address and Foreign Listings by \$0.50 per listing effective July 1, 2014. Please call Customer Service at 1.800.400.5568 if you have any questions.

Please let me know if you need any additional information.

Beth Westman - State Government Affairs Manager
Office: 207-535-4249

From: Hahn, Roger (UTC) [mailto:rhahn@utc.wa.gov]
Sent: Tuesday, May 27, 2014 12:13 PM
To: Kern, Cathy (UTC); Westman, Beth [Portland, ME.]
Cc: UTC DL Records Center
Subject: RE: *UT-141130 - Ellensburg Telephone Company - Tariff Revision

Ms. Westman,

In addition to Cathy's required tariff changes, please provide the estimated annual revenue impact for these price increases (preferably split between residential and business services). I do not need the annual revenue impact by individual service from Schedule 18, rather the total for all services by residential and business. In addition, please confirm if customers who currently have these services will receive notice of the price increases (by what method and when - See WAC 480-120-195 for requirements).

Advise with any questions. Thank you.

Roger Hahn

From: Kern, Cathy (UTC)
Sent: Friday, May 23, 2014 12:09 PM
To: bwestman@fairpoint.com
Cc: Hahn, Roger (UTC); UTC DL Records Center
Subject: FW: *UT-141130 - Ellensburg Telephone Company - Tariff Revision

Ms. Westman:

In my review of this filing, I found the following discrepancies:

The sheet numbers should be 2nd Revised Sheet 126 cancelling 1st Revised Sheet 126; and 2nd Revised Sheet 126.1 cancelling 1st Revised Sheet 126.1. This would agree with the current tariff on file.

Also, a "(T)" symbol should be typed on 2nd Revised Sheet 126.1 at the far right margin of "Schedule 18 - continued".

If you agree with my findings, please submit substitute sheets, along with a cover letter, to our Records Center by June 25*. If you disagree with my findings, please respond to this email or telephone me.

*Mr. Hahn will also be reviewing this filing. You may wish to wait until you've heard from him before submitting my requests.

Thank you.

Cathy Kern
WUTC
Tariff Desk
(360)664-1298
ckern@utc.wa.gov

From: Snyder, Jennifer (UTC)
Sent Friday, May 23, 2014 10:48 AM
To: bwestman@fairpoint.com
Cc: Hahn, Roger (UTC); Weinman, William (UTC); Deferia, Virginia (UTC); Santos, Virgil (UTC); Kern, Cathy (UTC); Wallace, Sharon (UTC); UTC DL Records Center; Cupp, John (UTC)
Subject: *UT-141130 - Ellensburg Telephone Company - Tariff Revision

Ms. Westman,

The commission received your electronic tariff filing on behalf of Ellensburg Telephone Company dba FairPoint Communications on May 23, 2014. The filing has been posted to the commission's Records Management System (RMS2).

The Docket Number for this filing is: UT-141130
The Advice Number for this filing is: N/A
The Agenda Date for this filing is: June 26, 2014

The filing is scheduled to become effective on: July 1, 2014

Subject to change, the filing is
scheduled to appear on the: Individual

The filing is currently assigned to: Roger Hahn

The current filing summary is: Revises Tariff WN U-4, reflecting an increase in rates for directory listings and to add "Number Hunt" language and rate.

If you have questions, please reply to this e-mail.

Thank you,

Jennifer Snyder
Customer Service Specialist 3
Records Management
Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504

Attachment B

WN U-4
 Ellensburg Telephone Company
 d/b/a FairPoint Communications

SCHEDULE 18
 First Revision Sheet No. 126
 Canceling Original Sheet No. 125

DIRECTORY LISTING SERVICE

AVAILABILITY

The rates named below for directory listings apply in all exchanges.

RATE	Rate per Month	
	<u>Business</u>	<u>Residence</u>
Primary listings		
Extra listings for members of same firm or business, each listing	\$0.95	---
Extra listings for Joint User business subscriber	\$0.95	---
Extra listing for individuals residing at a residence, listed at the residence, each listing	--	\$0.45
Extra listings for subscribers whose names are spelled in more than one way, each listing	\$0.95	\$0.45
Listings for guests of hotels, clubs, etc., each listing	\$0.95	\$0.45
Other extra listings and extra lines of Information, each line (Business or Residence) (Includes Foreign listings in Alpha section of directory)	\$0.95	\$0.45
Non-published and Non-listed telephone number	\$0.60	\$0.60

(D)

(M)

(M)

(M) Information originally appeared on Schedule 18, Original Sheet No. 125

Issued: June 26, 2013
 Ellensburg Telephone Company d/b/a FairPoint Communications
 Patrick L. Morse, Sr VP – Governmental Affairs

Effective: June 27, 2013

Attachment C



www.fairpoint.com
1 Davis Farm Road
Portland ME 04103

May 23, 2014

Mr. Steve 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 - Tariff Filing - WN U-4

Dear Mr King:

Pursuant to the procedures established for tariff filing by WAC 480-80-123(3)(c), please find enclosed the following replacement tariff page. The requested effective date for this page is July 1, 2014.

First Revised Sheet 125
First Revised Sheet 126

The purpose of this filing is to increase the rates for directory listings and to add "Number Hunt" language and rate to the tariff.

Please contact Beth Westman at 207.535.4249 or bwestman@fairpoint.com with any questions or concerns regarding this filing.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat", written over a horizontal line.

Patrick L. Morse
Senior VP Governmental Affairs
FairPoint Communications
P: 620-227-4409
F: 620-227-8576

WN U-4 First Revised Sheet No. 125
 Canceling Original Sheet No. 125

Ellensburg Telephone Company d/b/a FairPoint Communications

SCHEDULE 18
 DIRECTORY LISTING SERVICE

AVAILABILITY

The rates named below for directory listings apply in all exchanges.

RATE	Rate Per Month		
	<u>Business</u>	<u>Residence</u>	
Primary listings			
Extra listings for members of same firm or business, each listing	\$1.45 (I)	---	
Extra listings for Joint User business subscriber	\$3.95 (I)	---	
Extra listing for individuals residing at a residence, listed at the residence, each listing	---	\$0.95 (I)	
Extra listings for subscribers whose names are spelled in more than one way, each listing	\$1.45 (I)	\$0.95 (I)	
Listings for guests of hotels, clubs, etc., each listing	\$1.45 (I)	\$0.95 (I)	
Other extra listings and extra lines of information, each line (Business or Residence) (Includes Foreign listings in Alpha section of directory)	\$1.45 (I)	\$1.45 (I)	
Non-published and Non-listed telephone number	\$1.10 (I)	\$1.10 (I)	
Number hunt listing	\$1.00	---	(N)

Issued: May 23, 2014

Effective: July 1, 2014

WN U-4 First Revised Sheet No. 126
Canceling Original Sheet No. 126

Ellensburg Telephone Company d/b/a FairPoint Communications

SCHEDULE 18- Continued

CONDITIONS

One primary listing, which will include the name, address and telephone number of the individual, organization, firm or corporation, will be furnished in the alpha section at no charge for each primary station, each private branch exchange, or Centrex system. Each business primary station, private branch exchange, joint user, or Centrex system will receive one listing in the classified at no charge under a classification of the customer's choice.

Listings will be limited to such information as is necessary for proper identification.

The listing consists of one line. When use of abbreviations impairs clarity and identification, a second line may be used without additional charge.

The Company may refuse to insert any listing which, in its judgment, does not facilitate the use of the directory.

An additional listing must include the same address and telephone number as the primary listing except that a different address may be shown for off-premises PBX or Centrex stations located on other premises occupied by the customer.

Additional listings may be furnished with residence service for others who are members of the customer's domestic establishment and who occupy the same premises.

The rate for a foreign listing will be the rate of the company in whose directory the listing appears. A foreign listing may be furnished for customers requesting their listing be included in a directory alpha section different than normal.

A customer subscribing to a residential service may request a dual name primary directory listing which contains, in addition to the customer's surname, the given names of initials (or combination thereof) of the customer and:

- (1) one other person with the same surname who resides at the same address; or
- (2) a second name, other than surname, by which the customer is also known, including the married name of a woman whose husband is deceased.

Number Hunt listing - Only one number will be listed in the telephone company directory for each Multi-Line Hunt group. Unless otherwise directed by the customer and agreed to by the company, the pilot number in the hunt group will be the number listed.

(N)
|
(N)

Issued: May 23, 2014

Effective: July 1, 2014

Ellensburg Telephone Company d/b/a FairPoint Communications
Patrick L. Morse, Senior Vice President - Government Affairs

Attachment D



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

June 20, 2014

Ellensburg Telephone Company d/b/a FairPoint Communications
Attn: Pat Morse, Sr. VP of Governmental Affairs
305 N. Ruby
Ellensburg, WA 98926

Re: Data Request

Dear Pat Morse:

The Utilities and Transportation Commission is conducting an investigation into the business practices of Ellensburg Telephone Company d/b/a FairPoint Communications. This investigation was prompted by the company's electronic tariff filing requesting to raise the monthly rate for customers and the company's subsequent statement regarding inconsistencies between its billing and tariff rates.

Under Washington state law (Revised Code of Washington 80.04.070), the commission has the right to inspect the accounts, books, papers, and documents of any telephone company doing business in this state.

As part of a staff review of your water company's business practices, please send us the following information and documentation:

1. The current rates your company is charging for all services to both residential and business customers in Washington state. Please list each service rate separately. Please also list the date the rate went into effect. Please also list the prior rate and the date that rate went into effect.
2. An explanation as to why, according to your State Government Affairs Manager, your company's tariff showed a different rate for both the "joint user business" and the "foreign listings" than the rate the company was actually charging customers.
3. A list of all customer complaints received in the past year (June 2013-May 2014) related to rate charges, including, but not limited to, (a) the date the complaint was received, (b)

Ellensburg Telephone Company d/b/a FairPoint Communications

June 20, 2014

Page 2

the customer's issue related to rates, (c) the date the company responded to the complaint, and (d) how the complaint was resolved.

4. Copies of all bills sent to customers over the past year (June 2013-May 2014) showing the rates charged. Please only include bills that have charges related to the "joint user business" or "foreign listings" services.
5. A copy of the company's current billing statement.

Please provide all requested information and documentation by **July 7, 2014**. You may address your response and any questions to Megan Banks, Compliance Investigator. Ms. Banks can be reached at (360) 664-1129, or by e-mail at mbanks@utc.wa.gov.

Sincerely,



Steven V. King
Executive Director and Secretary

Attachment E



www.fairpoint.com
1 Davis Farm Road
Portland ME 04103

July 8, 2014

Megan Banks
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
PO Box 47250
Olympia WA 98504-7250

RE: Data Request

Dear Ms. Banks:

Per your June 20 request for information following our recent tariff filing for Directory Listing services, Ellensburg Telephone Company d/b/a FairPoint Communications hereby submits the following responses.

Question 1: The current rates your company is charging for all services to both residential and business customers in Washington state. Please list each service rate separately. Please also list the date the rate went into effect. Please also list the prior rate and the date that rate went into effect.

- a. **Listing of Services – ATTACHMENT 1 - Attached is a spreadsheet showing our current rates and their effective history back to 2006. Prior to the billing conversion, we do not have this information. Some rates have no history on the spreadsheet and that means that the rates have not changed since 2006.**

Question 2: An explanation as to why, according to your State Government Affairs Manager, your company's tariff showed a different rate for both the "joint user business" and the "foreign listings" than the rate the company was actually charging customers.

- a. **Originally we had thought that the error may have occurred in 2006 when FairPoint Communications underwent a company-wide billing system conversion to a new billing system. Some of the work done during this conversion required the manual input of rates from the old system into the new system. We thought that perhaps the wrong rate had been manually keyed into the new system. However, when we looked at a few invoices prior to the billing system conversion, we discovered that the wrong rate had been billed before the billing conversion. Therefore, we are not sure why the rate in the billing system does not match the rate in the tariff. We did not realize the discrepancy until we filed the recent tariff changes.**

Question 3: A list of all customer complaints received in the past year (June 2013-May 2014) related to rate charges, including, but not limited to, (a) the date the complaint was received, (b) the customer's issue related to rates, (c) the date the company responded to the complaint, and (d) how the complaint was resolved.

- a. FairPoint Communications has had ZERO complaints from the WUTC, the FCC, the BBB, or the Attorney General in the past year regarding these rate charges specifically or for rate charges of any kind, in general. A further review of complaints back to mid-2011 (the earliest my records go) shows no complaints from any of these entities regarding rate charges.

Question 4: Copies of all bills sent to customers over the past year (June 2013-May 2014) showing the rates charged. Please only include bills that have charges related to the "joint user business" or "foreign listings" services.

- a. Joint User Listings – ATTACHMENT 2 - We actually only have 19 customers with Joint User Listings. The previous report we were using counted listings, not customers. We have one customer, Havilah, Inc. (Acct 100237801) that has 3 Joint User listings, hence 21 "listings".
- b. Business Foreign Listings – ATTACHMENT 3 - We pulled 12 bills for customers with "Business" Foreign Listings; one each for June 2013 through May 2014. For each month we pulled a different Business customer so we had a variety. Each bill has the tariff rate for that period (\$0.95). As of July 1st, 2014, we have increased that rate to \$1.45. Again, we did not have any bill discrepancies with Business Foreign Listings.

Question 5: A copy of the company's current billing statement.

- a. **Included in the above bill attachments**

Please contact Pat Morse at 620.227.4409 or pat@fairpoint.com with any questions or concerns regarding this filing.

Sincerely,



Patrick L. Morse
Senior VP Governmental Affairs
FairPoint Communications
P: 620-227-4409
F: 620-227-8576

Ellensburg Telephone Company
d/b/a FairPoint Communications

ATTACHMENT 1

USP	Description	Original	Rate Change	Effective Date	Rate Change	Effective Date	Current Amount	Bus/Res
RWFFL	Directory - Foreign Listing	\$0.90	\$ 1.45	7/1/2014			\$1.45	Residence
RNP	Directory - Nonpublished Number	\$0.60	\$ 1.10	7/1/2014			\$1.10	Residence
BWFFL	Directory - White Pages Foreign Listing	\$0.95	\$ 1.45	7/1/2014			\$1.45	Business
RADL	Directory - Additional Listing	\$0.95	\$ 1.45	7/1/2014			\$0.95	Residence
RNL	Directory - Nonlisted Number	\$0.60	\$ 1.10				\$1.10	Residence
BDJUL	Directory - Joint User Listing	\$3.45	\$ 3.95	7/1/2014			\$3.95	Business
BNL	Directory - Nonlisted Number	\$0.60	\$ 1.10	7/1/2014			\$1.10	Business
BNP	Directory - Nonpublished Number	\$0.60	\$ 1.10	7/1/2014			\$1.10	Business
BADL	Directory - Additional Listing	\$0.95	\$ 1.45	7/1/2014			\$1.45	Business
SOFGB	SO - Feature Connection Charge - Bus	\$7.50					\$7.50	Business
SOFGR	SO - Feature Connection Charge - Res	\$5.00					\$5.00	Residence
R1PAL	Access Line - Residential	\$8.47	\$ 10.00	7/1/2012	\$ 14.00	1/1/2013	\$14.00	Residence
BCHML	Channel Termination - Mileage - 1/A - Private Line	\$1.50					\$1.50	Business
BFXPS	FX Service - Monthly Svc Chg - PBX	\$15.00					\$15.00	Business
BFXPL	FX Service - Line Charge - PBX	\$52.02					\$52.02	Business
BFXKL	FX Service - Line Charge - Key System - Pushbutton?	\$21.62					\$21.62	Business
BFXKS	FX Service - Monthly Svc Chg - Key System - Bus 1 party	\$10.00					\$10.00	Business
BFXKH	FX - Off Prem Ext - Mileage Per Half Mile	\$5.00					\$5.00	Business
BCM1Q	Channel Termination - First 1/4 Mile - Private Line	\$4.05					\$4.05	Business
BFXOQ	FX - Off Prem Ext - Mileage Per Qtr Mile	\$1.00					\$1.00	Business
SOCCA	SO - Intra Carrier Change Charge	\$10.00					\$10.00	Both
BVRCF	Call Forward - Virtual Remote	\$2.00					\$2.00	Business
XD100	DID - Block of 100 Numbers	\$50.00					\$50.00	Business
SOVST	SO - Maintenance Vlt/Outside	\$15.00					\$15.00	Both
SOTRA	SO - Intra Carrier Change Charge	\$10.00					\$10.00	Both
SOPVC	SO - Premise Vlt Charge	\$15.00					\$15.00	Both
SORCK	SO - Return Check Fee	\$10.00					\$10.00	Both
SOCOW	SO - Central Office Wiring Charge - Line Connection	\$15.00					\$15.00	Both
XPBA	ISDN Primary Rate Interface Access	\$400.00					\$400.00	Business
SOBOC	SO - Service Order Charge - Business	\$7.50					\$7.50	Business
SOROC	SO - Service Order Charge - Residential	\$5.00					\$5.00	Business
SOREB	SO - Reconnection Charge - Bus	\$12.50					\$12.50	Business
SORIB	SO - New Service Installation Chge - Bus	\$27.50					\$27.50	Business
SORIR	SO - New Service Installation Chge - Res	\$25.00					\$25.00	Residence
BOOTK	DID - Trunk	\$52.02					\$52.02	Business
BPBXL	Trunk - PBX	\$52.02					\$52.02	Business
BTIE	Tie line	\$52.02					\$52.02	Business
BBRIA	ISDN Basic Rate Interface Access	\$40.00					\$40.00	Business
SONCB	SO - Number Change Charge - Business	\$22.50					\$22.50	Business
SONCR	SO - Number Change Charge - Residential	\$20.00					\$20.00	Residence
BK3AL	Line Charge - Push Button Tel Svc	\$21.62					\$21.62	Business
B1PAL	Access Line - Business	\$16.52					\$16.52	Business
BCOPP	Paystation - Customer Owned - Public	\$16.52					\$16.52	Business
BPSPB	Paystation - Public Access	\$16.52					\$16.52	Business
TCBSV	Centrex Basic Service	\$15.36					\$15.36	Business
TCSD	Centrex ISDN Service	\$15.36					\$15.36	Business
TSMDR	Centrex Message Detail Recording	\$15.00					\$15.00	Business
BRAL	Access Line - Rotary Service	\$14.92					\$14.92	Business
BVTK	Trunk - Virtual (MDC)	\$10.00					\$10.00	Business
OBFFL	Number Referral Message for 3 Months - Nonrecurring Char	\$12.50					\$12.50	Business
ORFFL	Number Referral Message for 3 Months - Nonrecurring Char	\$10.00					\$10.00	Residence
SORER	SO - Reconnection Charge - Res	\$10.00					\$10.00	Residence
BCMM	Private Line - Business	\$8.35					\$8.35	Business
XRAL	Access Line - Rotary Dial Service	\$7.67					\$7.67	Residence
BDR	Distinctive Ring	\$7.50					\$7.50	Business
TADN	Centrex Additional Directory Number	\$7.50					\$7.50	Business
BCNAM	Caller Id With Name Description	\$6.00					\$6.00	Business
RCNAM	Caller Id With Name Description	\$6.00					\$6.00	Residence
BCI	Caller Id	\$5.00					\$5.00	Business
RCI	Caller Id	\$5.00					\$5.00	Residence
RDR	Distinctive Ring	\$4.95					\$4.95	Residence
BSNR	Seasonal Number Reservation	\$4.13					\$4.13	Business
BSC30	Speed Calling 30 Numbers	\$4.00					\$4.00	Business
RSC30	Speed Calling 30 Numbers	\$4.00					\$4.00	Residence
TAF	Centrex - Auto-Attendant	\$4.00					\$4.00	Business
TCIDN	Centrex Caller Id w/Name Description	\$4.00					\$4.00	Business
TSLCD	Centrex Single Line Call Queue (Attendant)	\$4.00					\$4.00	Business
RSNR	Seasonal Number Reservation	\$3.50					\$3.50	Residence
BACR	Anonymous Caller Rejection	\$3.00					\$3.00	Business
BCBBU	Call Back Busy Unlimited (Continuous Redial)	\$3.00					\$3.00	Business
BCRU	Call Return Unlimited	\$3.00					\$3.00	Business
BPR	Priority Ring	\$3.00					\$3.00	Business
BSCA	Call Acceptance - Selective	\$3.00					\$3.00	Business
BSCF	Call Forward - Selective	\$3.00					\$3.00	Business
BSCI	Call Rejection - Selective	\$3.00					\$3.00	Business
RACR	Anonymous Caller Rejection	\$3.00					\$3.00	Residence
RCBBU	Call Back Busy Unlimited	\$3.00					\$3.00	Residence
RCRU	Call Return Unlimited	\$3.00					\$3.00	Residence
RPR	Priority Ring	\$3.00					\$3.00	Residence
RSCA	Call Acceptance - Selective	\$3.00					\$3.00	Residence
RSCF	Call Forward - Selective	\$3.00					\$3.00	Residence
RSCI	Call Rejection - Selective	\$3.00					\$3.00	Residence
TCID	Centrex Caller Id	\$3.00					\$3.00	Business
BPCOA	Paystation - Service C/O Additive	\$2.21					\$2.21	Business
BPB	Paystation - Cust Owned	\$2.21					\$2.21	Business
B3WAY	Call Conferencing - 3 Way	\$2.00					\$2.00	Business

BCF	Call Forward - All Calls	\$2.00	\$2.00 Business
BCFB	Call Forward - Busy	\$2.00	\$2.00 Business
BCFNA	Call Forward - No Answer	\$2.00	\$2.00 Business
BCT	Call Transfer	\$2.00	\$2.00 Business
BCW	Call Waiting	\$2.00	\$2.00 Business
BDND	Telemarketer - Do Not Disturb	\$2.00	\$2.00 Business
BFCF	Call Forward - Fixed	\$2.00	\$2.00 Business
BFCFV	Call Forward to VM - Fixed	\$2.00	\$2.00 Business
BPKUP	Call Pick Up	\$2.00	\$2.00 Business
BPLS	Playstation - Service Screen	\$2.00	\$2.00 Business
BRCFF	Call Forward - Fixed	\$2.00	\$2.00 Business
BRCFP	Call Forward - Remote Access	\$2.00	\$2.00 Business
BSCB	Speed Calling 8 Numbers	\$2.00	\$2.00 Business
BTR01	Toll Restriction - Allow 0 and 1 Plus	\$2.00	\$2.00 Business
BTR1P	Toll Restriction - Allow 1+	\$2.00	\$2.00 Business
BTRC1	Toll Restriction - Customer Requested	\$2.00	\$2.00 Business
R3WAY	Call Conferencing - 3 Way	\$2.00	\$2.00 Residence
RCF	Call Forward - All Calls	\$2.00	\$2.00 Residence
RCFB	Call Forward - Busy	\$2.00	\$2.00 Residence
RCFNA	Call Forward - No Answer	\$2.00	\$2.00 Residence
RCT	Call Transfer	\$2.00	\$2.00 Residence
RCW	Call Waiting	\$2.00	\$2.00 Residence
RDND	Do Not Disturb	\$2.00	\$2.00 Residence
RFCF	Call Forward - Fixed	\$2.00	\$2.00 Residence
RFCFN	Call Forward - No Answer	\$2.00	\$2.00 Residence
RPKUP	Call Pickup	\$2.00	\$2.00 Residence
RRCFF	Call Forward - Remote - Fixed	\$2.00	\$2.00 Residence
RRCFP	Call Forward - Remote Access	\$2.00	\$2.00 Residence
RSCB	Speed Calling 8 Numbers	\$2.00	\$2.00 Residence
RTR01	Toll Rest w/Pln - Allow 0 and 1 Plus	\$2.00	\$2.00 Residence
RTR1P	Toll Restrict - Allow 1 Plus	\$2.00	\$2.00 Residence
RTRC1	Toll Restriction - Customer Requested	\$2.00	\$2.00 Residence
RVRCF	Call Forward - Virtual Remote	\$2.00	\$2.00 Residence
TRCF	Call Forward - Remote - Fixed	\$2.00	\$2.00 Business
BOPXS	On Premise Extension	\$1.15	\$1.15 Business
ROPXS	On Premise - Extension	\$1.15	\$1.15 Residence
BODN	DID - Charge Per Number	\$1.00	\$1.00 Business
BOPXM	Off Premise Extension - Mileage	\$1.00	\$1.00 Business
BOPXP	Off Premise Extension - Phone	\$1.00	\$1.00 Business
BOPXM	Off Premise - Mileage	\$1.00	\$1.00 Residence
BHUNT	Trunk Hunting	\$0.50	\$0.50 Business
DNH	Directory - Number Hunt	\$0.50	\$0.50 Business
TCFB	Centres Call Forward - Busy	\$0.50	\$0.50 Business
TCFNA	Centres Call Forward	\$0.50	\$0.50 Business

Attachment F



JOINT USER LISTINGS BY MONTH

Ellensburg Telephone Company d/b/a FairPoint Communications

June 2012 - May 2013

<u>Month</u>	<u>Customers</u>	<u>Subscriptions</u>
June	22	24
July	22	24
August	21	23
September	21	23
October	21	23
November	21	23
December	21	23
January	21	23
February	21	23
March	21	23
April	21	23
May	21	23

June 2013- May 2014

<u>Month</u>	<u>Customers</u>	<u>Subscriptions</u>
June	20	22
July	20	22
August	20	22
September	19	21
October	19	21
November	19	21
December	19	21
January	19	21
February	19	21
March	19	21
April	19	21
May	19	21