**Attachment**

Ellensburg Telephone Company Adjusted\* Regulated Financial Trends As Provided by Company in Exhibit 4 the of State USF Program Petitions Filed in 2014 and 2015

Table 1

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial** | **2012** | **2013** | **2014** | **$** | **%** |
| **Trends** |  |  |  |  |  |
|  |  |  |  |  |  |
| Rate Base (A) | $ 7,428,322 | $ 6,877,838 | $ 6,420,687 | $(1,007,635) | (13.6)% |
| Net Oper. Inc. | $ 645,081\* | $ 752,268\* | $ 1,395,562\* | $ 750,481 | 116% |
| Rate of Return | 8.7% | 10.9% | 21.7% |  |  |
| Revenue | $12,298,903\* | $11,833,672\* | $11,400,224\* | $ (898,679) | ( 7.3)% |
| Local | $ 3,634,927 | $ 3,551,316 | $ 3,226,324 | $ (408,603) | (11.2)% |
| Access Svc. | $ 7,608,619\* | $ 7,162,582\* | $ 7,365,255\* | $ (102,464) | (1.4)% |
|  |  |  |  |  |  |
| Oper. Exp. | $11,219,392 | $10,353,898 | $ 9,015,736 | $(2,203,656) | (19.6)% |
| Depreciation | $ 2,758,998 | $ 2,138,441 | $ 1,525,261 | $(1,233,737) | (44.7)% |
| Plant Specific | $ 4,009,373 | $ 4,210,402 | $ 3,571,846 | $( 437,527) | (10.9)% |
| Corp. Oper. | $ 2,066,431 | $ 1,725,649 | $ 1,742,819 | $( 323,612) | (15.7)% |
|  |  |  |  |  |  |

\*Results include company provided out-of-period adjustments which impacted net operating income and access service revenue.

1. – 2013 and 2014 is average rate base; 2012 is end of period.

Ellensburg Telephone Company 2014 Net Operating Income and Reduction in Revenue Required to Achieve and 11.25 or 10 Percent Regulated Rate of Return

Table 2

|  |  |
| --- | --- |
| Average Rate Base | $6,420,687 |
| Net Operating Income | $1,395,562 |
| Current Regulated Rate of Return (ROR) | 21.7% |
| 2015 State USF Support to be Received if Approved | $ 407,243 |
| Gross Revenue Reduction Required to Achieve 11.25% ROR | $1,035,746 |
| Gross Revenue Reduction Required to Achieve 10.0% ROR | $1,159,220 |
|  |  |