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April 30, 2003

Carole Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
PO Box 47250
Olympia, WA 98504-8002

VIA E-MAIL

Re: Washington Docket No. A-010648

Dear Ms. Washburn:

Sprint has only one concern, or request for clarification, with the draft procedural rules. WAC 480-07-510(3)(f) contains a new requirement that a general rate filing must include:

Information about every transaction with an affiliated interest or subsidiary that directly or indirectly affects the proposed rates. This must include: A full description of the relationship, terms and amount of the transaction, the length of time the relationship has been ongoing, and, an income statement and balance sheet for every affiliated entity.

It is unclear to Sprint whether the Commission intends this rule to require companies to file a separate affiliated interest report as part of a general rate filing, in addition to its annual affiliated interest report.

Sprint already files a an extensive and voluminous affiliated interest report annually, pursuant to WAC 480-146-360, which should satisfy this procedural requirement. The annual report contains a full description of the relationship, and terms of transactions between affiliates. It also provides the annual charges by service and accounts, including the Washington intrastate amounts. The report includes income statements and balance sheets for every affiliated entity.

While the report does not provide the duration of the relationship, such information is available to the Commission. The Commission's rules already require every public service company to

file a verified copy, or a verified summary, if unwritten, of contracts or arrangements with affiliated interests before the effective date of the contract or arrangement. *See WAC 480-146-350 Filing of Affiliated Interest Transactions.* Verified copies of modifications or amendments to the contract or arrangements must be filed before the effective date of the modification or amendment. Even if a company failed to file a new affiliated contract or arrangement, a comparison of annual affiliated interest reports would show in which year a new arrangement became effective.

If the Commission is concerned that the Washington intrastate charges shown in the annual filing may not reconcile to the test year associated with a general rate filing, due to timing differences, apparent irregularities, or for any other reason, it is authorized to investigate the issue through the discovery process. The discovery process would be a more efficient use of resources than imposing a new burdensome reporting requirement.

In addition to the inefficiencies of this rule, Sprint believes the proposed language is overly broad and vague, particularly with reference to transactions that might indirectly affect proposed rates. Either affiliated interest charges are included in the test year or they are not. It is difficult to imagine how a transaction with an affiliate may have an indirect affect on proposed rates.

If you have any questions, please do not hesitate to contact me at 541.387.9439.

Sincerely,

/s/

William E. Hendricks, III

WEH/sm