UT-051488 MEMO ATTACHMENT

WAC 480-80-204 Price lists format and content. (1) A price list must include, for each service in the price list, a description of the service, any limitations, terms, or conditions on the offering of that service, and all rates, charges, or prices at which the service is offered.

- (2) A price list must:
- (a) Plainly state the places where the offered telecommunications service will be rendered;
 - (b) Include the effective date clearly marked on each page;
- (c) Include the complete name, address, phone number, unified business identifier (UBI) number, and if available, the mail address and web page address of the issuing utility; and
- (d) Conform to all applicable laws, rules, and orders. The filing of a nonconforming price list will not be deemed a waiver of the law, rule, or order. A company may not enforce a price list provision that conflicts with a law, rule, or order unless the commission waives that law, rule, or order.
- (3) A price list of a competitive telecommunications company may state the rates, charges, or prices as maximum amounts rather than as specific prices.
- (4) A price list of a telecommunications company not classified as competitive offering a service classified as competitive under RCW 80.36.330 may state the rates, charges, or prices as maximum and minimum amounts rather than as specific prices. The minimum price must comply with the cost requirement in subsection (6) of this section.
- (5) A transmittal letter must accompany a price list change in compliance with the provisions of WAC 480-80-203.
- (6) The rates, charges, and prices of services classified as competitive under RCW 80.36.330 must cover the cost of providing the service. Costs must be determined using a long-run incremental cost analysis, including as part of the incremental cost, the price charged by the offering company to other telecommunications companies for any essential function used to provide the service, or any other commission-approved cost method.

RCW 80.36.330

Classification as competitive telecommunications companies, services -- Effective competition defined -- Prices and rates -- Reclassification.

- (1) The commission may classify a telecommunications service provided by a telecommunications company as a competitive telecommunications service if the service is subject to effective competition. Effective competition means that customers of the service have reasonably available alternatives and that the service is not provided to a significant captive customer base. In determining whether a service is competitive, factors the commission shall consider include but are not limited to:
 - (a) The number and size of alternative providers of services;
- (b) The extent to which services are available from alternative providers in the relevant market;
- (c) The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions; and
- (d) Other indicators of market power, which may include market share, growth in market share, ease of entry, and the affiliation of providers of services.
- (2) When the commission finds that a telecommunications company has demonstrated that a telecommunications service is competitive, the commission may permit the service to be provided under a price list. The commission may adopt procedural rules necessary to implement this section.
- (3) Prices or rates charged for competitive telecommunications services shall cover their cost. The commission shall determine proper cost standards to implement this section, provided that in making any assignment of costs or allocating any revenue requirement, the commission shall act to preserve affordable universal telecommunications service.
- (4) The commission may investigate prices for competitive telecommunications services upon complaint. In any complaint proceeding initiated by the commission, the telecommunications company providing the service shall bear the burden of proving that the prices charged cover cost, and are fair, just, and reasonable.
- (5) Telecommunications companies shall provide the commission with all data it deems necessary to implement this section.
- (6) No losses incurred by a telecommunications company in the provision of competitive services may be recovered through rates for noncompetitive services. The commission may order refunds or credits to any class of subscribers to a noncompetitive

Docket UT-051488 Memo Attachment November 9, 2005 Page 3

telecommunications service which has paid excessive rates because of below cost pricing of competitive telecommunications services.

- (7) The commission may reclassify any competitive telecommunications service if reclassification would protect the public interest.
- (8) The commission may waive the requirements of RCW <u>80.36.170</u> and <u>80.36.180</u> in whole or in part for a service classified as competitive if it finds that competition will serve the same purpose and protect the public interest.

RCW 80.36.360 Exempted actions or transactions.

For the purposes of RCW <u>19.86.170</u>, actions or transactions of competitive telecommunications companies, or associated with competitive telecommunications services, shall not be deemed otherwise permitted, prohibited, or regulated by the commission.