

November 22, 2005

Sent via electronic pdf format

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98502

Re: Docket No. UT-053021 – Small Business Economic Impact Statement

Dear Ms. Washburn:

The purpose of this letter is to submit our analysis of whether the draft rules under the above-referenced docket impose a cost impact on Inland Telephone Company ("Company"). For purposes of these comments, the contact telephone number is (509) 649-2211. The contact person is James Brooks. The Company employs 30 full-time equivalents.

In reviewing the proposed rules, proposed WAC 480-123-0060 and proposed WAC 480-123-0070 impose additional costs on the Company.

In both cases, these rules go beyond any current rules in effect and require additional expenditures on behalf of the Company.

Under WAC 480-123-0060, the draft would have the Company submit reports that it does not submit today. The draft rule would also create an advertising requirement that is not imposed on the Company today.

We calculate the amount of work necessary to do additional reports would be quite demanding on the Company do to the nature of the request since the Company serves non-contiguous areas. For our four (4) Washington exchanges, we estimate an additional 100 hours of labor. Also, do to the nature of the request, we believe that a higher end employce should be utilized with an estimated loaded labor rate of \$75 per hour, this equates to an approximate cost of \$7,500.

It appears that the advertising requirements will impose an estimated additional cost on the Company of \$7,000. This is based on the estimates by the various newspapers covering our exchanges as well as past experiences. In addition, preparing a


bill insert would impose an approximate cost of \$600. This is based on the Company's experience in preparing bill inserts.

Under WAC 480-123-0070, the Company must include a detailed report on an annual basis. In addition, at least once every three years, the Company must submit .shp maps showing the general location of customers, plant and equipment. We estimate that the cost imposed by the proposed rule's to be \$29,000 for the additional reporting requirements. This is based upon an estimate of 80 hours of additional work per exchange at a loaded labor rate of \$75 per hour, plus outside consultant review at an estimated cost of \$5,000.

Further, the requirement to prepare the .shp maps may impose an impossible requirement on the Company. Given the Company's size limitation and the number of staff available, almost one hundred percent of this work will have to be done by outside consultants. Based upon the cost to the Company to prepare .shp maps that did not contain the general location of customers, plant and equipment, we estimate the outside consulting costs to be in excess of \$10,000.

We have not identified anything in the draft rules that would create a cost savings to the Company. All of the changes appear to impose cost increases.

Sincerely,



Gregory A. Maras  
Secretary

cc: Richard A. Finnigan