

S.W., Olympia, Washington, before Chairman Sharon L. Nelson and Commissioners Richard D. Casad and A. J. Pardini.

Under the terms of said notice, interested persons were afforded the opportunity to submit data, views, or arguments to the Commission in writing prior to January 27, 1992, and orally at 9:00 a.m., Wednesday, February 12, 1992, and continued to February 19, 1992, in the Commission's Hearing Room above noted.

At the February 19, 1992, meeting the Commission considered the rule change proposal. Oral comments were made by Carolyn Iblings on behalf of U S WEST Communications, Dean Randall on behalf of GTE Northwest, and Richard Finnigan on behalf of Ellensburg Telephone Company. Written comments were received from John Buergel on behalf of The Washington Water Power Company, Fred Logan on behalf of GTE Northwest, Terry Vann on behalf of the Washington Independent Telephone Association, Corey Knutsen on behalf of Puget Sound Power & Light Company, Anne Eakin on behalf of Pacific Power & Light Company, D. Scott Johnson on behalf of Washington Natural Gas Company, and Mark Roellig on behalf of U S WEST Communications.

The rule change affects no economic values.

In reviewing the entire record herein, it has been determined that WAC 480-146-091 should be adopted to read as set forth in Appendix A attached hereto and by this reference made a part hereof. WAC 480-146-091 as adopted will create a uniform

affiliated interest reporting format which will consolidate all reporting requirements of previously approved transactions for gas, electrical, and local exchange companies with over 50,000 access lines in Washington.

The Commission's adoption of the new section varies in content from the proposal noticed in that not all local exchange companies need report, but only those serving more than 50,000 access lines in Washington; the meaning of "affiliated interest transactions" has been changed from "transactions" to "contracts or arrangements" between affiliated interests as defined in RCW 80.16.010; the meaning of "intercompany transactions" has been deleted; the terminology "parent" company or "regulated utility" has been changed to "public service" company; and by adding a subsection stating that the section does not modify any obligations of public service companies to seek approval of affiliated interest contracts and arrangements pursuant to chapter 80.16 RCW.

O R D E R

WHEREFORE, IT IS ORDERED That WAC 480-146-091 as set forth in Appendix A, be adopted as a rule of the Washington Utilities and Transportation Commission to take effect pursuant to RCW 34.05.380(2).

IT IS FURTHER ORDERED That the order be forwarded to the Code Reviser for filing and recorded in the order register of the

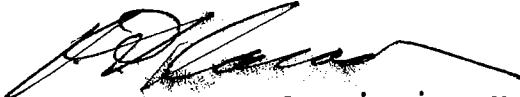
Washington Utilities and Transportation Commission pursuant to chapter 34.05 RCW and chapter 1-21 WAC.

DATED at Olympia, Washington, this 6th day of March, 1992.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD D. CASAD, Commissioner



A. J. PARDINI, Commissioner

A P P E N D I X A

NEW SECTION

WAC 480-146-091 REPORTING OF AFFILIATED INTEREST TRANSACTIONS. (1) By June 1, in a format prescribed by the Commission, all gas, electrical, and local exchange companies serving more than fifty thousand access lines in Washington, as defined in RCW 80.04.010, shall file with the Commission a report of all affiliated interest transactions which occurred during the period January 1 through December 31 of the preceding year.

As used in this section "affiliated interest transactions" mean contracts or arrangements between affiliated interests as defined in RCW 80.16.010.

(2) The annual report required by this rule will, at a minimum, include the following information, provided in a format specified by the Commission:

(a) A organization chart of the public service company and a detailed description of the affiliates with appropriate financial information.

(b) A description of the nature of services flowing between the public service company and the affiliate, showing charges and pricing basis.

(c) A description of loans between the public service company and its affiliates.

(d) A description of debt guarantees by the public service company for any affiliate.

(e) A description of transactions with affiliates other than services, loans, or debt guarantees.

(f) A description of the procedure for allocating costs between the public service company and its affiliates.

(3) The annual report required by this section will supersede the reporting requirements contained in previous Commission orders authorizing affiliated interest transactions pursuant to Chapter 80.16 RCW.

(4) Nothing in this section is intended to modify the obligations of public service companies to seek approval of affiliated interest contracts and arrangements pursuant to chapter 80.16 RCW.