



November 22, 2005

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 Kalama Telephone Company. For purposes of these comments, the contact telephone number is 360-673-2797. The contact person is Robert A. Smith. The Company employs fourteen 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 the additional reports as 40 hours of labor. Using a loaded labor rate of \$85.00, this equates to a cost of \$3,400.00.

It appears that the advertising requirements will impose an additional cost on the Company of \$5,198.40. Kalama does not have a daily newspaper. This cost is based on the figure quoted by the Longview Daily News. In addition, preparing a bill insert would impose a cost of \$1,500.00 per mailing. This estimate is based on the Company's experience in preparing bill inserts and assumes that this section of the draft rule is referring only to Lifeline, Link-Up and WTAP information and not all of the Company's services that are available.

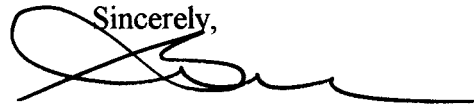
**Kalama Telephone Company**

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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 this proposed rule's additional reporting requirements are \$16,800. This is based upon an estimate of 80 hours of additional work at a loaded labor rate of \$85.00, plus an outside consultant at an estimated cost of \$10,000.

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 that the outside consulting costs could very likely exceed \$10,000.00

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,  
  
Robert A. Smith

cc: Richard A. Finnigan