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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

November 17, 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 the Company. For purposes of these comments, the contact telephone number is (360) 898-3296. The contact person is Dawn Thompson. The Company employs twenty-three 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 \$93.75, this equates to a cost of \$3,750.00.

It appears that the advertising requirements will impose an additional cost on the Company of \$6,016.00. This is based on the figure quoted by the newspaper. In addition, preparing a bill insert would impose a cost of \$661.10. This is based on the Company's experience in preparing bill inserts.

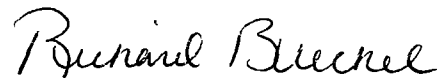
Under WAC 480-123-0070, the Company must include a detailed report on an annual basis. In addition, at least once every three years, the Company must submit .shp maps showing the general location of customers, plant and equipment. We estimate that the cost imposed by this proposed rule's additional reporting requirements are

\$12,704.80. This is based upon an estimate of 80 hours of additional work at a loaded labor rate of \$158.81, plus outside consultant review at an estimated cost of \$5,000.00.

Further, the requirement to prepare the .shp maps may impose an impossible requirement on the Company. Given our 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 \$10,000.00.

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,



Richard Buechel, President
Hood Canal Communications

cc: Richard A. Finnigan