

THE TOLEDO TELEPHONE CO., INC.
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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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) 864-2011. The contact person is Russell Ramsey, Vice President. The Company employs 20 full-time equivalents.

In reviewing the proposed rules, proposed WAC 480-123-0060 and proposed WAC 480-123-0070 will 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 minimum amount of work necessary to do the additional reports as 40 hours of labor. Using a loaded labor rate of \$38.00/hr., this equates to a minimum cost of \$1,520.

It appears that the advertising requirements will impose an additional cost on the Company of \$7,627.84. This is based on figures quoted by the Longview Daily News and The Chronicle (Centralia). Also, the preparation of a bill insert would impose additional labor costs.

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. The requirement to annually prepare the .shp maps may impose a significant burden on the Company's rate base.



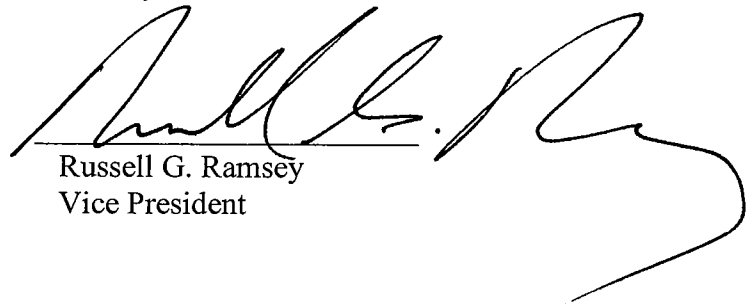
For the annual report under draft section 0070, which requires substantial detail, the Company estimates it will take approximately 100 hours of labor. Using the loaded labor rate of \$38.00/hr., this means an annual cost of \$3,800. In addition, outside consultant review of the report is estimated at \$2,500.

Currently, like almost all other Telco's that use the CAD format for engineering, we do not have our plant records in the .shp format nor do we have the software to easily convert them. Given the Company's size 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 the .shp maps for the Commission's earlier ETC proceedings that did not contain the general location of customers, plant and equipment, we estimate the initial cost to the Company to meet the mapping requirement be in excess of \$50,000, with the cost declining somewhat to generate successive reports there after.

There is also the potential of indirectly added costs due to the customer and plant map requirements that may result from these maps being made available to the public and thus to the Company's competitors. The issue as to the proprietary copyright status of the reporting companies' plant records having not been fully address by the WUTC in the past, and the copyright issue doesn't appear to be explicitly addressed in the current draft proposal.

We have not identified anything in the draft rules that would create a cost savings to the Company. The proposed and we might add totally unprecedented, map reporting requirements appear to impose significant increases in Company's operating expenses, and thus ultimately increasing its reliance on USF support.

Sincerely,



Russell G. Ramsey
Vice President

cc: Richard A. Finnigan

