



November 28, 2005

Sent Via Email: records@wutc.wa.gov

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 – Supplement to Small Business Economic Impact Statement

Dear Ms. Washburn:

The purpose of this letter is to supplement our analysis of whether the draft rules under the above-referenced docket impose a cost impact on Asotin, McDaniel and Lewis River Telephone Companies d/b/a TDS Telecom (the Company.) The amounts included below are total TDS amounts covering the additional expense for all three companies. The modifications are underlined below.

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 require TDS Telecom to 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 prepare the additional reports as 40 hours of labor. Using a loaded labor rate of \$40 per hour, this equates to a cost of \$ 1,600 per year.

It appears that the advertising requirements will impose an additional cost of \$19,300 per year. This is based on the figures quoted by the newspaper. In addition, preparation of an annual bill insert would impose a cost of \$765. This is based on the Company's experience in preparing bill inserts.

Under WAC 480-123-0070, TDS Telecom would be required to 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 \$1,600. This is based upon an estimate of 40 hours of additional work at a loaded labor rate of \$40.00. The additional cost to create the .shp maps is estimated at \$53,707.50. This is based on 2,310 hours at loaded labor rate of \$23.25.

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.

If you have questions or concerns regarding this information, please call me at (503)656-8399 to discuss.

Sincerely,

/s/ Gail M. Long

Gail M. Long
Manager, External Relations

Cc: Richard A. Finnigan