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September 8, 1999

Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
P. O. Box 47250
Olympia, WA 98504-7250

Subject: WECA Report / WAC 480-80-047 - Supplement

Dear Ms. Washburn:

On July 30, 1999, the Washington Exchange Carrier Association (WECA) provided a report under WAC 480-80-047 as a courtesy on behalf of its members. As part of a settlement agreement reached with Commission Staff growing out of Docket UT-971140, WECA is providing a supplemental report.

One of the issues that was discussed during the discussions following Docket UT-971140 was whether WECA's rates need to be revised to show the removal of payphone costs and the exit of United Telephone Company of the Northwest from the WECA pool. WECA has undertaken an analysis that shows that no filing is necessary. The analysis looks at both 1998 numbers and recast 1995 figures. The pool in both instances was under recovering by more than the associated costs related to payphone equipment and United's exit from the WECA pool.

Attached to this report is the analysis that shows that the pool in 1998 under recovered by more than the payphone adjustment and United's effect on leaving the pool (United's net distribution). Also attached is an analysis showing the recast effect in 1995 at the time United left the pool.

Sincerely,



RICHARD A. FINNIGAN

RAF/rj

Enclosures as noted

cc: Betty Erdahl
Mary M. Tennyson
Gary Phillips
Board Members

RECEIVED
REGISTRATION DIVISION
99 SEP -8 PM 3:57
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

WECA
1998 POOL RECOVERY

1998
@10.5% ROR

REV REQ AFTER TRANSITION

32,005,483

1998 POOL DISTRIBUTIONS

30,835,655

UNRECOVERED POOL REV REQ

1,169,828

1995 UNITED REVENUES:

CCL
USF

6,397,677
281,531

1995 UNITED DISTRIBUTIONS

6,679,208
6,958,645

UNITED 1995 NET DISTRIBUTION
PAY PHONE ADJ (1995 \$)

279,437
278,943

TOTAL UNITED AND PAY PHONE REQUIREMENT

558,380

ATTACHMENT A

06-Jul-99

WASHINGTON SUMMARY OF DATA AND OUTPUT

	TOTAL STATE	GTE-NW	UNITED	US WEST	WECA
ACCESS LINES:	3,073,720	682,242	68,301	2,128,293	194,884
TOTAL MINUTES (000):	5,890,678	1,628,756	195,170	3,525,001	541,751
EQUIVALENT MINUTES:					
ORIGINATING	2,791,281				280,299
TERMINATING	3,013,717				254,780
TOTAL EQUIV MIN (000):	5,804,998				535,079
STATE NTS REV REQ:					28,284,272
U S F - NTS REV REQ:	8,121,105	0	0	0	8,121,105
TOTAL TRANSITIONED:	5,276,765	1,879,420	2,065,422	0	1,331,923
REMAINING NTS REV REQ:					18,811,244

1995 RATES - REVISED FOR UNITED/EAS/PAYPHONES

CURRENT RATES

U S F:	0.00144	0.00152
PREMIUM TERM:	0.06283	0.05587
NON-PREM TERM:	0.03142	0.02793
PREMIUM ORIG:	0.01000	0.01000
NON-PREM ORIG:	0.00500	0.00500

U S F DISTRIBUTIONS

U S F - NTS COSTS:	8,121,105
ADMINISTRATION:	<u>235,000</u>
U S F REV REQ:	8,356,105

ATTACHMENT B

06-Jul-99

WASHINGTON EXCHANGE CARRIER ASSOCIATION

CALCULATION OF RATES:

(Pooled Companies Only)

NTS REV REQ - TRANS - USF REVENUE REQUIREMENT

PREM ORIG REVENUES - NON-PREM ORIG REVENUES

PREMIUM TERM RATE = $\frac{\text{NTS REV REQ - TRANS - USF REVENUE REQUIREMENT}}{\text{TOTAL TERMINATING EQUIVALENT MINUTES}} = 0.06283$

PREMIUM ORIGINATING RATE = 0.01000

NON - PREMIUM RATES = .5 X PREMIUM RATE

WASHINGTON EXCHANGE CARRIER ASSOCIATION

	RATE	MINUTES	REVENUES
PREMIUM TERMINATING RATE =	0.06283	250,665,181	\$15,749,729
NON-PREM TERMINATING RATE =	0.03142	8,229,123	\$258,525
PREMIUM ORIGINATING RATE =	0.01000	277,741,718	\$2,777,417
NON-PREM ORIGINATING RATE =	0.00500	<u>5,114,588</u>	<u>\$25,573</u>
		541,750,588	\$18,811,244
USF RATE =	0.00144	5,890,677,561	<u>\$8,479,438</u>
TOTAL REVENUES @ REVISED 1995 RATES			\$ <u>27,290,682</u>

WASHINGTON EXCHANGE CARRIER ASSOCIATION

	RATE	MINUTES	REVENUES
PREMIUM TERMINATING RATE =	0.05587	250,865,181	\$14,004,864
NON-PREM TERMINATING RATE =	0.02793	8,229,123	\$229,839
PREMIUM ORIGINATING RATE =	0.01000	277,741,718	\$2,777,417
NON-PREM ORIGINATING RATE =	0.00500	<u>5,114,566</u>	<u>\$25,573</u>
		541,750,588	\$17,037,493
USF RATE =	0.00152	5,890,677,561	<u>\$8,953,830</u>
TOTAL REVENUES @ CURRENT RATES			\$ 25,991,323
TOTAL REVENUES @ REVISED 1995 RATES			<u>\$ 27,290,682</u>
SHORTFALL AFTER REMOVING UNITED AND PAYPHONES			<u>\$ 1,299,359</u>