

The Early History of Qwest Corporation's Predecessors in Washington The First 40 Years - 1883 to 1923

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Establishment of Service

John Sabin, the general manager of the Pacific Bell Telephone Company sent his private secretary, E.W. Melse, from San Francisco to Seattle to prospect the development of a telephone business in the fall of 1882. The Company opened the first telephone exchange in Washington March 7, 1883 in Seattle.

The Company's archives contained a report, which a memorandum dated December 20, 1976 by John N. Rupp—Vice President, General Counsel and Secretary of the Company at that time—describes as follows:

In 1915 the Division of Commercial Engineer's Office (at Portland Oregon) of the Pacific Telephone and Telegraph Company prepared a report called "Development of the State of Washington." The report is a volume about 1-1/2' thick. This bulk is largely accounted for by the fact that each exchange in which the Company operated is treated separately.

The introductory part of the volume consists of an 18-page summary of the State's development, with particular emphasis on telephone development, both Bell and non-Bell (pages 13-17) and of four large sheets showing in chronological order the establishment and development of each telephone exchange in the State from 1883 to 1915.

Page 13 of the 18-page summary explains:

The first telephone exchange was established in Seattle on March 7, 1883 with 90 telephones connected. Wala Wala was next on June 20, 1884 with 19 telephones, then followed Tacoma in April 1884 with 47 telephones, Port Townsend in November 1885 with 38 telephones, Colfax in 1887 with 25 telephones and Spokane Falls in 1887 with 46 telephones. With this beginning, exchanges were established over the entire state to meet the demand for service.

The following table, derived from the 18-page summary, indicates the development of Company exchanges at various periods:

	Exchanges	Stations
Jan. 1, 1884	1	90
Jan. 1, 1890	8	1,273
Jan. 1, 1895	25	2,624
Jan. 1, 1900	65	10,904
Jan. 1, 1905	143	43,505
Jan. 1, 1910	156	83,296
Jan. 1, 1915	105	123,802

Competition

In the beginning, the Company did not face local service competition. American Bell Telephone (until December 30, 1899 the predecessor of American Telephone and Telegraph, hereinafter “AT&T”) held patents on the primary instruments of telephony.¹ The expiration of the last of those patents in January of 1894 ushered in a period of competition in telephony. At first, the competition focussed on being the first company to establish service in a new community. Thus, several areas of Washington came to be served not by the Company but by other so-called “independent” providers. Pages 15 and 16 of the summary of the 1915 Company report entitled “Development of the State of Washington” explain:

In addition to the many miles of toll line constructed and established and the number of exchanges opened by the Pacific Company in its efforts to keep pace with the rapid growth and development of the State, some of the telephone development was undertaken by various individuals with a desire to embark in the telephone business. As a consequence many organized companies entered the field, developing a considerable area and opening many exchanges with toll line connection. A few of these companies remain independent, operating separately and in many instances, in competition with the Pacific Company or its connecting companies, while others have connected with the Pacific Company’s system forming an integral part of the system and are known as connecting companies. While it is true that most of this development has been of a local nature it must be considered if the full and complete telephone development of the state of Washington is to be shown. It must be remembered, however, that we have been dealing solely with our own development but to show the entire development of the telephone in the State, it becomes necessary to consider the full telephone development of all companies for such dates as figures are available and in order

¹ There was fierce competition to obtain a patent on the telephone. For several years, Western Union, American Bell Telephone’s rival for the telephone business in the late 1870’s, challenged Bell’s patents claiming that Elisha Gray had invented the telephone and had the superior claim to its patent.

that proper comparisons be made. The following table indicates the development January 1, 1915:

	Exchanges	Stations
Pacific Company	105	123,802
Connecting Companies	<u>202</u>	<u>32,253</u>
Total	307	156,055
Independent Companies	<u>34</u>	<u>11,791</u>
	341	167,846

Head-to-Head Local Competition

After the turn of the last century, the Company began to face head-to-head competition for local service in Washington as the independent companies began opening exchanges in locations where the Company had already established service. For example, in 1902, The Independent Telephone Company (ITC) started service in Seattle. It explained why it entered the field and the advantages of its service in its November 1, 1903 directory, four pages of which are attached as Exhibit PEG-5. Direct competition between the Company and the ITC existed until 1912 when the Company took over the ITC's property and consolidated the plants.

In 1907, the Home Telephone Company of Puget Sound (HTC-PS) began competing with the Company in Tacoma. HTC-PS went into receivership in 1911 and the Company purchased its assets at a public auction.² The Company established operations in Spokane in 1887.³ In 1905, the city of Spokane granted a telephone franchise to the Home Telephone and Telegraph Company of Spokane (HT&T-Spokane).⁴ The two telephone companies competed with one another in Spokane until January 18, 1915, when the

² 1915 report called "Development of the State of Washington" prepared by the Division of Commercial Engineer's Office (at Portland Oregon) of the Pacific Telephone and Telegraph Company.

³ *Id.*

⁴ The State of Washington, ex Rel. Home Telephone & Telegraph Company of Spokane v. The Superior Court for Spokane County, 110 Wash. 936; 188 P. 404; 1920 Wash. LEXIS 516 (1920)

Company sold HT&T-Spokane its Spokane properties.⁵ The Company had purchased the capital stock of HT&T-Spokane in 1914.⁶

Local Competition was not limited to just the large cities. For example, the Company opened its exchange in Renton in 1904. In 1908 a competing company entered the field and operated in competition with the Company. In July 1912 the plant was consolidated with that of the Company and operated by the Kent and Renton Company as a connecting company.⁷ In Pullman, the Company lost stations from 1910 to 1915 because of an active campaign by its competitors, the Inland Co-operative Association, who offered reduced rates. The Company sold its Pullman plant to the competing company in July 1915.⁸

In Port Townsend, the Citizens Telephone Company established an exchange and entered active competition with the Company in 1906. Citizens succeeded in securing an important U. S. Government contract that greatly decreased the Company's business. Citizens took over the Company's property in Port Townsend around 1915.⁹ The Pacific Company first operated an exchange at Port Blakely but sold its property to a competitor in 1910. It repurchased the exchange from the competitor in 1915.¹⁰ In Castle Rock, a competitor opened an exchange in 1911 that caused a loss of stations which lead to the Company selling its holdings to the competitor in 1915.¹¹

⁵ Findings of Fact, paragraph III, Order of the Department of Public Works in Docket No. 4902-5344, March 31, 1923.

⁶ Findings of Fact, paragraph III, Order of the Department of Public Works in Docket No. 4902-5344, March 31, 1923.

⁷ 1915 report called "Development of the State of Washington" prepared by the Division of Commercial Engineer's Office (at Portland Oregon) of the Pacific Telephone and Telegraph Company.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

Toll Competition

The Company also faced competition in toll service in Washington. Page 15 of the summary of the Company report entitled “Development of the State of Washington” mentions competition in toll. In addition, there is other historical evidence of toll competition. Exhibit PEG-4 is a copy of a page from the 1911 Seattle Telephone Directory of the ITC showing “Independent Long Distance Lines.” In 1912, the Company settled by stipulation a complaint brought against it by the Puget Sound Independent Telephone Company regarding connection of its toll service in King, Snohomish, Skagit, and Whatcom counties.¹²

The Northwestern Long Distance Telephone and Telegraph Company (NLDT&T) was named as a respondent in a 1913 case before the Commission.¹³ In 1914, the Commission dismissed a complaint the NLDT&T brought against the Company regarding delivery of its calls to the Company’s subscribers.¹⁴ An order of the Commission dated November 23, 1920 notes that the NLDT operated a long distance telephone service from Portland Oregon, to Vancouver, down the Columbia to Kalama, and then to Kelso, Tacoma, Seattle, Port Angeles, Port Townsend and other points.¹⁵ An order of the Commission in September, 1922 states that “toll or long-distance rate schedules should be in keeping with the competitive conditions to be met...”¹⁶

¹² Order of Public Service Commission of Washington in Docket No. 505, May 25, 1912.

¹³ Order of Public Service Commission of Washington in Docket No. 1556, November 26, 1913.

¹⁴ Order of Public Service Commission of Washington in Docket No. 962, January 22, 1914.

¹⁵ Findings and Order of Public Service Commission of Washington in Docket No. 5153, November 24, 1920 as reported in Tenth Annual Report of the Public Service Commission of Washington to the Governor, p. 175.

¹⁶ Order issued September 25, 1922 in Department of Public Works Docket No. 4902-5344, reported in the Third Annual Report of the Department of Public Works of Washington Division of Transportation and Public Utilities to the Governor, p. 322.

Achieved Rates of Return – 1913 to 1922

The rates of return the Commission found the Company achieved during the period 1913 through 1922 suggest the Company held no monopoly over service. In Dockets No. 1825 and 4747¹⁷ the Commission found the Company had achieved the following rates of return on rate base:

1913 - Depreciation on 4% Sinking Fund Basis	3.35%
1913 - Depreciation on Straight Line Basis	3.67%
1914 - Depreciation on 4% Sinking Fund Basis	2.15%
1914 - Depreciation on Straight Line Basis	2.46%
1915 – Using Exchange and 30% Toll Revenue	(0.49%)
1915 – Using Exchange and Total Toll Revenue	2.38%
1916 – Using Exchange and 30% Toll Revenue	0.27%
1916 – Using Exchange and Total Toll Revenue	3.85%
1917 – Using Exchange and 30% Toll Revenue	(0.31%)
1917 – Using Exchange and Total Toll Revenue	3.93%
1918 – Using Exchange and 30% Toll Revenue	(1.11%)
1918 – Using Exchange and Total Toll Revenue	3.69%

The dissenting opinion in the Company’s 1923 rate case made the following finding:

That under the rates applicable during the past seven years, the Pacific Telephone and Telegraph Company in the State of Washington, after paying operating expenses, taxes, licensee revenue debtor and setting aside depreciation, has shown an annual rate of return as follows:

1915	1916	1917	1918	1919	1920	1921	1-1-to 6-20-22
1.84%	3.40%	3.31%	3.13%	4.67%	4.09%	3.52%	3.35% (annual)

and that said rate of return during the entire period has been unfair, unjust, unreasonable and less than sufficient.¹⁸

¹⁷ Opinion, Findings of Fact and Order entered August 5, 1916 in PSC Docket No. 1825. Finding of Fact IV, as reported in the Sixth Annual Report of the Public Service Commission of Washington to the Governor, p. 199 to 200. Findings and Order in PSC Docket No. 4747, Finding of Fact XV, as reported in the Ninth Annual Report of the Public Service Commission of Washington to the Governor, p. 159.

¹⁸ Dissenting Opinion, issued March 31, 1923 in Department of Public Works Docket No. 4902-5344, Finding of Fact II, reported in the Third Annual Report of the Department of Public Works of Washington Division of Transportation and Public Utilities to the Governor, page 350. The majority opinion in this case made no findings with regard to the actual achieved rates of return but did find that “If income statements

Directory Publishing and Directory Advertising

Early Directories

The date when the Company's began publishing directories in Washington was not discovered. The earliest evidence of Company directories found thus far was the cover of a directory of the Northwestern Division of Sunset Telephone and Telegraph Company (a Bell Telephone Company) dated August 1893. The earliest complete Company found thus far is for the Second District, Northwestern Division of the Sunset Telephone and Telegraph Company and is dated January, 1894.¹⁹ Copies of the covers of these two directories are included in Exhibit PEG-7.

The date when the Company's began including commercial advertising in its directories in Washington is also not known. Several pages of advertising appear in the 1894 Company directory. Copies of it are included in Exhibit PEG-8. Given the relative sophistication of the 1894 directory, it is probable that the Company published directories earlier than 1893 and that it sold advertising in its directories earlier than 1894.

It appears the Company's competitors also published directories. To date, two examples of telephone directories published by the Independent Telephone Company (ITC) that operated in Seattle have been found. One was from 1903 and the other from 1911. Both contained commercial advertising.

were prepared for several years past adjusted as above, they would show a fair rate of return. Findings of Fact, paragraph IV, Order and Opinion issued March 31, 1923 in Department of Public Works Docket No. 4902-5344, reported in the Third Annual Report of the Department of Public Works of Washington Division of Transportation and Public Utilities to the Governor

¹⁹ According to a 1915 Schedule prepared by the Division Commercial Engineer's Office in Portland, Oregon, the Company served 2,644 Washington subscribers in 23 cities in 1884.

Directories after State-Wide Regulation

By the time of the Commission's creation in 1911, the Company's directory advertising business was well established. A copy of PT&T's February, 1911 directory for King, Pierce and Kitsap Counties (which included the Tacoma Exchange of Sunset Telephone and Telegraph Company) contains over 400 commercial ads. A copy of a few of the ads from this directory is included in Exhibit PEG-9. After 1911, the Company's directory advertising business continued to grow. The directories from the period after 1911 contain an abundance of advertising.

Directory Publishing Financial Results

For most of its history, the Company's directory publishing activity generated revenues in excess of its expenses. However, this was not always the case. The earliest Company financial reports found to date are the Annual Reports of PT&T to the Railroad Commission of California beginning with calendar year 1914.²⁰ It is apparent that the scope of the reports is PT&T's operations in all states, which included Washington. Among the accounts included in PT&T's annual reports are miscellaneous revenue account 523, "Advertising and Directory" and commercial expense account 649, "Directory Expenses."

These accounts appear to conform to the first issue of Uniform System of Accounts (USOA) for Telephone Companies as prescribed by the Interstate Commerce Commission (ICC) effective January 1, 1913. The Commission formally adopted the ICC's USOA October 31, 1921.²¹ The ICC's USOA First Issue requires that account

²⁰ Reviewed on site at the California State Archives in Sacramento. Pacific Telephone and Telegraph's annual reports to the Washington Commission for the periods 1913 through 1962 were destroyed in 2002 according to a "Notice of Records to be Destroyed by Archives" dated January 7, 2002. It was confirmed during a visit to Washington State Archives December 12, 2002 that the records had indeed been destroyed.

²¹ Department of Public Works, Docket No. 5251, reported in Second Annual Report of the Department of Public Works of Washington Division of Transportation and Public Utilities to the Governor, p. 139

523, Advertising and Directory, “include all revenues derived from advertising in directories and elsewhere.” It also requires that Account 649, Directory Expense, “include the cost of preparing, printing and distributing directories, including the cost of soliciting advertisements for directories.” Hence, Directory Expenses included not only the expenses of generating classified advertising revenues but also the expenses associated with the production of the Company's white pages directories.

PT&T's annual reports show that Advertising and Directory revenues (account 523) were less than Directory Expenses (account 649) until 1918. The Company's annual reports show that in each and every year after 1917, account 523 revenues exceeded account 649 expenses. Exhibit PEG-4 is a schedule showing the account 523 revenues and account 649 expenses for each year from 1914 through 1963 for PT&T, Pacific Northwest Bell, and as reported in annual reports to the Commission that were found.

Regulation

Local Regulation

Although no statewide regulation of telephony was authorized in Washington during the first 28 years of its development, there was some local regulation of the Company's rates. At least three cities imposed price caps regulation under their franchise powers. Seattle adopted Ordinance 3530 September 27, 1894 capping telephone rates in the city at \$5.00 per month for business telephones and \$3.00 per month for residential telephones. There is record of Tacoma Ordinance 21 of March 24, 1884 granting a franchise in Tacoma to the Sunset Telephone-Telegraph Co., and a superseding franchise ordinance 371 was adopted Oct. 11, 1890. It capped business rates at \$6.00 per month and residential rates at \$4.50 per month. In 1905, the City of Spokane adopted an ordinance in 1905 that set

rates for telephone service. The franchise granted to HT&T-Spokane specified maximum rates to be charged for telephone service.

Statewide Regulation

The Washington legislature first granted the state authority to regulate telephone rates on June 8, 1911 when the Public Service Commission Law²² became effective.²³ It created the Public Service Commission of Washington (hereinafter “PSC”, a predecessor of this Commission), and authorized state regulation of telephone and telegraph company rates. The Department of Public Works (DPW) succeeded to the powers and functions of the Public Service Commission under laws the Washington legislature enacted in 1921.²⁴

With regard to telephone rates, the Public Service Commission Law required:

All rates, tolls, contracts and charges, rules and regulations of telephone and telegraph companies, for messages, conversations, services rendered and equipment and facilities supplied... shall be fair, just, reasonable and sufficient....²⁵

It also required telephone companies to file schedules of their rates then in force²⁶ and authorized the PSC to hold hearings²⁷ and determine that existing rates were unjust and unreasonable and order just and reasonable rates.²⁸

²² Chapter 117, Session laws, 1911, Section 1, Short Title.

²³ First Annual Report of the Public Service Commission of Washington to the Governor, January 1, 1912 letter of transmittal.

²⁴ Chapter 7, Laws of 1921, p. 20 n1 as discussed in *State ex rel. Spokane Gas Light Company v. Kuykendall*, 119 Wash 107, 205 Pacific 3, (1922).

²⁵ Chapter 117, Session laws, 1911. Section 35.

²⁶ Chapter 117, Session laws, 1911. Section 36.

²⁷ Chapter 117, Session laws, 1911. Section 7.

²⁸ Chapter 117, Session laws, 1911. Section 55.

The PSC did not begin immediately upon its creation to fix the company's rates in Washington. Although the Company was named as a respondent in several early PSC dockets, none fixed rates.

First Rate Case

The Company's first rate case was brought on the PSC's complaint filed December 12, 1914 in Docket No. 1825. In this case, the Commission concluded that that the Company's rates, in the aggregate, did not show an adequate rate of return and that rates were not excessive as a whole or in any particular exchange. The Commission later observed, "In the state-wide telephone investigation of the Pacific Company's business the Company was earning 2.38 per cent on the valuation of the whole system within the state, and, in the face of this showing, it was evident that an adjustment of rates upon a cost-analysis basis would, in the aggregate, mean a raise of rates."²⁹

However, the Commission did not direct or authorize the Company to increase its rates. Instead, the Commission found that the schedules of toll rates and exchange rates then on file with the Commission were not unreasonable, ordered the Company to conform to those tariffs and schedules and dismissed its complaint in so far as it related to the unreasonableness of rates.³⁰ Regarding the Company's rates the Commission observed:

The exchange rate schedules from which these earnings have resulted have been those which the company itself determined. It is a reasonable assumption that they have named rates therein that they felt would sell the service and encourage development.³¹

²⁹ Findings and Order entered July 17, 1917 in Docket No. 1516, reported in the Seventh Annual Report of the Public Service Commission of Washington to the Governor, p. 175

³⁰ Opinion, Findings of Fact and Order entered August 5, 1916 in Docket No. 1825. Finding of Fact IV, reported in the Sixth Annual Report of the Public Service Commission of Washington to the Governor, pp. 199 to 201.

³¹ *Id.* p. 185.

It appears the Commission had the authority to order the Company to increase its rates in order to achieve a reasonable rate of return because in a different case a year and a half later the Commission ordered a telephone company to raise its rates. In a complaint against the service and rates of the Woodhouse Telephone Company (WTC), the Commission found that under its the then present schedule of rates and tariffs, WTC operated at a deficit. The Commission found that WTC's schedule of charges was inadequate and insufficient and ordered it to publish and file with the Commission and good and sufficient schedule of telephone rates.³²

Federal Ownership

The next significant regulatory event occurred July 31, 1918 when the Postmaster General of the United States, by authority of a resolution of Congress and a proclamation of the President in the exercise of war powers, took possession and assumed control and supervision all the telephone and telegraph systems in the United States. On November 6, 1918, PT&T and HT&T-Spokane each filed with the Commission tariffs numbered W.P.S.C. No. 2 containing rates approved by the Postmaster General.

Several cities entered protests against the increases in the Postmaster General's rates. Following an exchange of telegrams and letters between the Commission and the Postmaster General, the Commission began proceedings in PSC Docket No. 4747 culminating in two hearings, the first of which was January 15, 1919 in Olympia. The Commission issued an order February 13th, 1919 overruling all of the protests of the Postmaster General's rates and providing that "the Postmaster General's tariff W.P.S.C. No. 2, of the Pacific Telephone and Telegraph Company shall become effective as of date

³² Findings and Order entered March 14, 1918 in PSC Docket No. 4577, reported in the Eighth Annual Report of the Public Service Commission of Washington to the Governor, pp. 223-225.

December 6, 1918....”³³ On February 20, 1919, the Commission made a further supplemental order making its February 13 order effective March 1, 1919, instead of December 6, 1918.³⁴

On March 10, 1919, the second hearing was held in Spokane concerning HT&T-Spokane’s tariff W.P.S.C. No. 2. At the hearing, HT&T-Spokane submitted a modified schedule of rates. On March 20, 1919, the Commission entered an order approving the modified Postmaster General rates for Spokane effective April 1, 1919.³⁵

The Washington Supreme Court later held that the Commission had acted without jurisdiction in entering these orders. The court based its holding on several opinions of the United States Supreme Court issued June 2, 1919, which held that during the period of federal control, state commissions lacked any jurisdiction over the subject matter of the Postmaster General’s telephone rates.³⁶ The Washington Supreme Court annulled the orders and set them aside.

Rates Effective August 1, 1919 to March 31, 1923

On July 31, 1919, the period of Federal Control ended and the Postmaster General’s rates expired.³⁷ Because the validity and legality of the rates the Commission had sought to establish during the period of Federal control was in doubt, the Commission issued an order allowing the re-filing on one-day’s notice³⁸ of the Postmaster General rules, rates

³³ Findings and Order entered February 13, 1919 in PSC Docket No. 4747, reported in the Ninth Annual Report of the Public Service Commission of Washington to the Governor, pp. 156-171.

³⁴ *State ex rel. Seattle etc. v. Pub. Serv. Comm.*, 110 Wash. 130 at 132, 188 Pac. 7 (1920)

³⁵ Findings and Order entered March 20, 1919 in PSC Docket No. 4747, reported in the Ninth Annual Report of the Public Service Commission of Washington to the Governor, pp. 171-182.

³⁶ *State ex rel. Seattle etc. v. Pub. Serv. Comm.*, 110 Wash. 130, 188 Pac. 7 (1920)

³⁷ Order No. 3380 of Postmaster General, July 30, 1919.

³⁸ Findings of Fact, Order and Opinion issued March 31, 1923 in Department of Public Works Docket No. 4902-5344, reported in the Third Annual Report of the Department of Public Works of Washington Division of Transportation and Public Utilities to the Governor. p. 343.

and regulations in effect July 31, 1919. On August 8, 1919, the Company re-filed the Postmaster General's rates and the Commission granted leave effective August 1, 1919.

Second Rate Case

On January 21, 1922, the Department of Public Works (a predecessor of this Commission and hereinafter "Commission") filed a formal complaint challenging the reasonableness of the rates, rules, regulations and contracts of PT&T and HT&T-Spokane. On September 20, 1922, both companies filed rate schedules proposing revised increased rates applicable to all exchanges of those companies in Washington. The Commission then ordered the companies to file a toll rate schedule conforming in principle with the toll rate schedule that preceded the Postmaster General rates. On October 5, 1922, the companies filed the toll rate schedule as directed, and filed a withdrawal and cancellation of their proposed exchange rate schedules, except as to the cities of Seattle, Spokane and Tacoma.

In its findings of Fact, Opinion and Order March 31, 1923 the Commission estimated rate of return for the year 1923 was 6.01% under the then present rates and that the proposed rates would yield a rate of return of 11.23%. The Commission found the existing rates were just, fair reasonable and sufficient and that the proposed increased rates, both toll and exchange, were unjust, unfair, unreasonable, and more than sufficient. The Commission also found that no reduction in rates was justified and no reparation of rates was supported. The Commission ordered that the existing rates remain in effect.³⁹

³⁹ Findings of Fact, Order and Opinion issued March 31, 1923 in Department of Public Works Docket No. 4902-5344, reported in the Third Annual Report of the Department of Public Works of Washington Division of Transportation and Public Utilities to the Governor.

No records of the actual calculation of the Company's revenue requirement in Docket No. 4902-5344 were found in the case file in the Washington State Archives. However, it is reasonable to assume the Commission included revenues and expenses from directory publishing in its calculation of the Company's revenue requirement from the 1922 test year. A year earlier the Commission had adopted the ICC's USOA.⁴⁰ So it is likely the Commission's calculation of the revenue requirement included accounts 523, "Directory Advertising and Sales" and account 649, "Directory Expense."

In the 1922 test year the revenues from Directory Advertising and Sales were 160% of the Directory Expenses. Not only did directory advertising revenues cover their own expenses, they also covered the expenses associated with white pages publication and delivery and provided a significant subsidy to regulated rates.

The Commission issued its order in this case 40 years to the month after the Company first established service in Washington. The Order brought to a close the period during which the Company, the directory advertising business, and regulation in Washington arose and developed. It was an era characterized by high levels of growth and risk, competition, and low earnings.

⁴⁰ Department of Public Works, Docket No. 5251, reported in Second Annual Report of the Department of Public Works of Washington Division of Transportation and Public Utilities to the Governor, p. 139