

### 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.<sup>20</sup> 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 ~~F~~First ~~I~~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.<sup>21</sup> The ICC's USOA First Issue requires that account

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<sup>20</sup> 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.

<sup>21</sup> 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