BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

| WASHINGTON UTILITIES AND |) | DOCKET UT-060762 |
|--------------------------|---|----------------------------|
| TRANSPORTATION |) | DOCKET UT-060920 |
| COMMISSION, |) | DOCKET UT-060921 |
| |) | |
| Complainant, |) | ORDER 01 |
| - |) | |
| v. |) | |
| |) | ORDER DENYING PETITION FOR |
| WESTGATE COMMUNICATIONS |) | WAIVER AND APPROVAL OF |
| LLC, d/b/a WEAVTEL, |) | REVENUE OBJECTIVE |
| |) | |
| Respondent. |) | COMPLAINT AND ORDER |
| |) | SUSPENDING TARIFF |
| |) | REVISIONS, ALLOWING RATES |
| |) | SUBJECT TO REFUND, AND |
| |) | CONSOLIDATING FILINGS FOR |
| |) | HEARING |
| | | |

BACKGROUND

- Westgate Communications LLC, d/b/a WeavTel (WeavTel or "the Company") is a local exchange telecommunications company. WeavTel is attempting to provide local exchange telecommunications service to customers located in Stehekin, Washington. The Company is not yet providing dial tone or a connection to the public switched telephone network; it has no customers as of this date.
- On May 10, 2006, in Docket UT-060762, WeavTel filed with the Washington Utilities and Transportation Commission (Commission) a petition for waiver of the notice and filing dates prescribed in Paragraph 8 of the Washington Carrier Access Plan (the Plan) as approved by the Commission in Docket UT-971140. WeavTel also petitioned for approval of its proposed, company-specific revenue objective pursuant to the Plan.
- On June 2, 2006, in Docket UT-060920, WeavTel filed with the Commission revisions to its currently effective Tariff WN U-1, designated as WNU-2. On the

same day, WeavTel filed in Docket UT-060921 tariff revisions related to 9-1-1 services, designated as WN U-3.

- The stated effective date of the tariff is July 2, 2006. On June 23, 2006, WeavTel sent the Commission a letter extending the July 2 effective date to July 15. On July 7, 2006, WeavTel sent the Commission a letter extending the July 15, 2006, effective date to July 28, 2006.
- The foregoing dockets came before the Commission at its July 26, 2006, open meeting. At that meeting, Commission Staff (Staff) stated that WeavTel has been unable to provide the Commission audited financial statements to substantiate the Company's actual level of investment. Staff also stated that WeavTel's projected expenses, which are in part a function of investment, also cannot be accurately determined without more complete accounting records. This information is necessary to determine an appropriate revenue objective and to ensure that the proposed tariff charges and rates do not over-recover costs.
- The filing in Docket UT-060920 would increase charges and rates for some services, decrease charges and rates for some services, and change some of the terms and conditions of service WeavTel provides. The filing in Docket UT-060921 would institute charges and rates and the terms and conditions of 9-1-1 service to be provided by WeavTel. Because those changes might injuriously affect the rights and interests of the public and WeavTel has not demonstrated that the changes would result in rates that are fair, just and reasonable, the Commission suspends the tariff filing and will hold public hearings if necessary to determine whether the proposed tariff changes are fair, just and reasonable. In the meantime, the Commission will allow the proposed tariff changes to go into effect, subject to refund, pending resolution of these dockets after hearing.
- In addition, the Commission consolidates the filings in Dockets UT-060762, UT-060920 and UT-060921 under WAC 480-07-320 to promote judicial economy and administrative efficiency. As the facts and issues of law are related, consolidating the dockets for hearing and decision allows the Commission to address the Company's requests together. The Commission will later schedule hearings at

such times and places as may be required. The Commission may later sever these consolidated matters if it is in the public interest to do so.

FINDINGS AND CONCLUSIONS

- The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications companies. *RCW* 80.01.040, *RCW* 80.04, *RCW* 80.28, *RCW* 80.08 and *RCW* 80.12.
- 9 (2) WeavTel is a telecommunications company and is a public service company subject to the jurisdiction of the Commission.
- These matters were brought before the Commission at its regularly scheduled meeting on July 26, 2006.
- 11 (4) WeavTel has not yet demonstrated that its proposed revenue objective is appropriate.
- The tariff revisions filed by WeavTel on June 2, 2006, would change the charges, rates, terms and conditions for service WeavTel provides, institute charges and rates and the terms and conditions of 9-1-1 service to be provided by WeavTel and might injuriously affect the rights and interest of the public.
- WeavTel has not yet demonstrated that the tariff revisions or revenue objective would result in rates that are fair, just and reasonable.¹
- In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes it is necessary to investigate WeavTel's books, accounts, practices and activities; to make a

¹ While Commissioner Philip Jones joined the motion to set the matter of the revenue objective for hearing, he voted to take no action on the tariff filings and allow them to take effect by operation of law.

- valuation or appraisal of WeavTel's property; and to investigate and appraise various phases of WeavTel's operations.
- 15 (8) As required by RCW 80.04.130 (4), WeavTel bears the burden of proof to show that the proposed tariff changes are fair, just and reasonable.
- WeavTel may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of RCW 80.20.

ORDER

THE COMMISSION ORDERS:

- 17 (1) The tariff revisions filed by Westgate Communications LLC, d/b/a WeavTel on June 2, 2006, are suspended.
- The Commission denies Westgate Communications LLC, d/b/a WeavTel's petition for a waiver of the notice and filing dates prescribed in Paragraph 8 of the Washington Carrier Access Plan as approved by the Commission in Docket UT-971140. The Commission further denies the Company's petition for approval of its proposed, company-specific revenue objective and sets the matter for hearing.
- The Commission will allow the proposed tariff charges, rates, terms and conditions Westgate Communications LLC, d/b/a WeavTel that filed on June 2, 2006 to go into effect on July 28, 2006, subject to refund and pending full review of the proposed tariffs and revenue objective.
- 20 (4) The Commission on its own motion consolidates Dockets UT-060762, UT-060920 and UT-060921 for hearing and decision, because the facts or principles of law at issue in the filings are related. WAC 480-07-320.
- 21 (5) WeavTel must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.

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- The Commission will institute an investigation of WeavTel's books, accounts, practices, activities, property and operations as described above.
- WeavTel shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of RCW 80.20.

DATED at Olympia, Washington, and effective July 27, 2006.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner