

SERVICE DATE  
OCT - 9 1996

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of	)	DOCKET UT-960952
GTE NORTHWEST INCORPORATED for	)	
Authority to Enter into a Financial	)	ORDER GRANTING
Services Agreement with GTE Funding	)	APPLICATION
Incorporated.	)	
. . . . .	)	

On July 25, 1996, GTE Northwest Incorporated (GTE-NW) filed an application with the Commission under the provisions of chapter 80.16 RCW for an order granting authority to enter into a Financial Services Agreement with GTE Funding Incorporated (GTE Funding), an affiliated interest.

GTE-NW and GTE Funding are wholly owned subsidiaries of GTE Corporation and are, therefore, affiliated interests as defined in RCW 80.16.010.

Under the terms of the proposed Financial Services Agreement, GTE Funding will provide financial services, including short-term borrowing and investing, to GTE-NW, as well as other GTE Telephone operating companies. According to GTE-NW, GTE Funding will be able to provide financing at interest rates expected to be 1.5 to 2.5 basis points lower than those available to GTE-NW, because of the larger aggregated borrowing requirements. Further, since certain cash management, accounting, and banking activities will be completed only once, overall administrative costs associated with short-term financing activities will be reduced.

The Commission neither approves nor disapproves the reasonableness of the fees, charges, or accounting allocations involved with the proposed arrangement and reserves the right to review those fees, charges, or allocations in a future rate proceeding.

FINDINGS

THE COMMISSION FINDS:

1. GTE Northwest Incorporated, a Washington corporation, is a public service company subject to the jurisdiction of this Commission under the provisions of chapter 80.16 RCW.

2. GTE Funding Incorporated is an affiliated interest of GTE Northwest Incorporated, as defined in RCW 80.16.010.

3. As to form, the application filed herein meets the requirements of chapter 80.16 RCW and the rules and regulations adopted pursuant thereto.

4. It appears, upon investigation, that the arrangement between GTE Northwest Incorporated and GTE Funding Incorporated, is reasonable and consistent with the public interest and should, therefore, be approved.

O R D E R

THE COMMISSION ORDERS:

1. Subject to the conditions of this order, GTE Northwest Incorporated is hereby authorized to enter into a Financial Services Agreement with GTE Funding Incorporated, as described in Exhibit A of the application herein.

2. GTE Northwest Incorporated shall file with the Commission details of the arrangement described in ordering paragraph no. 1 of the order herein, as required by WAC 480-146-091, Reporting of Affiliated Interest Transactions.

3. The reasonableness of the fees, charges or accounting allocations involved in carrying out the provisions of ordering paragraph no. 1 of this order are neither approved nor disapproved in this proceeding.

4. Jurisdiction of these proceedings is hereby retained by the Commission for the purpose of entering such further orders or of taking any other action it may deem necessary and proper in respect to the subjects under consideration in these proceedings.

5. This order shall in no way affect the authority of this Commission over rates, service, or accounts, evaluations, estimates, or determination of cost or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

DATED at Olympia Washington and effective this 9th day of October, 1996.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



STEVE McLELLAN, Secretary