

July 28, 2005

VIA FIRST CLASS MAIL & ELECTRONIC FILING

Carole Washburn
Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Re: In the Matter of Verizon Petition for Waiver of WAC 480-120-395
Docket No. UT-050695

Dear Ms. Washburn:

Public Counsel opposes the exemption from the filing requirement under WAC 480-120-395. The purpose of the rule is to shine light on the transactions between a company and its affiliates or subsidiaries. The rule is preventative in nature. It is Public Counsel's hope that the rule apply to many affiliate and subsidiary relationships which do not have any inappropriate or adverse transactions. The fact that a subsidiary does not now have such transactions or by a few financial indicators does not appear to have any is not a substitute for the report required under the rule. It is through the use of the report that such a determination can be made.

In recent years the Commission has experience numerous problems with affiliate and subsidiary relationships of regulated Companies. Resolving those problems has proven time consuming and costly to ratepayers. The prevention provide under this rule is essential. Public Counsel strongly urges the Commission to deny the exemption.

Sincerely,

Steve Johnson
Regulatory Analyst
Public Counsel Section
(206) 464-6253

SGJ:cjw

cc: Kathy Folsom, WUTC