

CenturyTel Service Group, Inc

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

CENTURYTEL

January 15, 2001

Karen M. Caille
Administrative Law Judge
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, WA 98504-8203

RE: Docket No. UT-003106 (Moses Coulee)

Dear Judge Caille:

A prehearing conference in the above-referenced matter was held on December 20, 2000. At that time I indicated that CenturyTel had reached a tentative agreement with WUTC Staff identifying terms under which CenturyTel would be willing to extend facilities to, and provide telecommunications service to, the Moses Coulee area. I further indicated that the arrangement was awaiting final authorization by CenturyTel executives. In view of this, you directed that CenturyTel should report back to the Commission by January 17, 2001 as to the status of finalization of the arrangement.

I am pleased to report that the arrangement has since received necessary authorization from CenturyTel executives.

Under the arrangement, CenturyTel would extend facilities to the Moses Coulee area and would be allowed to recover its costs in the manner established for the earlier Libby Creek project. That is, CenturyTel would be allowed to recover all of its costs associated with construction of facilities to the area including any reinforcement costs. CenturyTel estimates the cost of the project to be \$911,351. Similar to the Libby Creek project, CenturyTel would be allowed to assess a surcharge on intrastate terminating access charges for access minutes terminated in all of CenturyTel of Washington's wire centers in the state of Washington. The surcharge would be calculated such that when applied to all intrastate terminating access minutes it would generate an amount equal to the entire cost of the project over a twenty-month period. A twenty-month recovery period was selected because that is the same period utilized in the Commission's newly adopted line extension rules. CenturyTel would not be obligated to begin work on the project unless and until a tariff is approved implementing the surcharge on intrastate terminating access charges.

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This is the same arrangement that successfully led to the provision of service to the previously unserved Libby Creek area. Given its proven track record, this arrangement should therefore obviate the need for further proceedings in this docket.

I can be reached at (360) 905-5958 if you have any questions or need further information.

Sincerely,



Calvin K. Simshaw
Assoc. General Counsel - Regulatory

cc: Parties of Record

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