

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Competitive)	DOCKET NO. UT-042165
Classification of Services in Belfair,)	
Hoodsport, and Shelton of)	ORDER NO. 01
)	
)	ORDER INITIATING
)	COMPETITIVE CLASSIFICATION
Hood Canal Telephone Company)	OF HOOD CANAL TELEPHONE
)	COMPANY'S SERVICES IN
)	BELFAIR, HOODSPORT AND
)	SHELTON
.....)	

BACKGROUND

- 1 On November 15, 2004, Hood Canal Telephone Co. (Hood Canal) filed, in Docket UT-041997, a tariff revision to offer residential and business local exchange service and exchange access service in the Belfair exchange. In earlier filings Hood Canal filed tariff revisions to offer these services in the Shelton and Hoodsport exchanges (Dockets UT-011719 and UT-040169, respectively).
- 2 On December 1, 2004, Hood Canal petitioned the Commission for designation as an eligible telecommunications carrier (ETC) for the areas described by the exchange boundaries of the Belfair, Hoodsport, and Shelton exchanges of Qwest Corporation. In that petition, Hood Canal, a rural telephone company seeks to be treated, for federal universal service purposes, as a competitive telecommunications carrier in those exchanges. *47 U.S.C. § 153(37)*.
- 3 Hood Canal is an incumbent local exchange company (ILEC) that traditionally has provided service only in the Union exchange. Qwest Corporation is the ILEC serving Shelton, Hoodsport, and Belfair.
- 4 While Hood Canal is providing many of the same services in Belfair, Hoodsport, and Shelton that it provides in Union, the service offering is more limited.

5 At the December 29, 2004, Open Public Meeting of the Washington Utilities and
Transportation Commission (Commission), the Commission Staff recommended
the Commission initiate a proceeding to competitively classify the services
previously tariffed in Docket Nos. UT-011719, UT-040169, and UT-041997. The
Commission Staff stated that the services are subject to effective competition and
that they should be classified as competitive pursuant to RCW 80.36.330 and
WAC 480-121-061. For purposes of this proceeding, the geographic markets are
defined by the boundaries of the Belfair, Hoodspport, and Shelton exchange areas
of Qwest Corporation.

6 Hood Canal has not objected to competitive classification of the services in the
respective markets.

FINDINGS AND CONCLUSIONS

- 7 (1) The Washington Utilities and Transportation Commission is an agency of
the State of Washington vested by statute with the authority to regulate
rates, rules, regulations, practices, accounts, securities, and transfers of
public service companies, including telecommunications companies.
RCW 80.01.040; Chapter 80.04 RCW; and Chapter 80.36 RCW.
- 8 (2) Hood Canal Telephone Company is a telecommunications company and
rural telephone company providing service within the state of
Washington as a public service company.
- 9 (3) The Washington Utilities and Transportation Commission may initiate
competitive classification on its own motion. *RCW 80.36.330.*
- 10 (4) This matter was brought before the Commission at its regularly scheduled
meeting on December 29, 2004.

- 11 (5) Pursuant to the representations of Commission Staff, the services provided by Hood Canal in the geographic markets areas described by the exchange boundaries of the Belfair, Hoodsport, and Shelton exchanges of Qwest Corporation appear to be subject to effective competition.

ORDER

THE COMMISSION ORDERS:

- 12 (1) Hood Canal Telephone Company's local exchange service in the geographic markets defined by the Belfair, Hoodsport, and Shelton exchange areas of Qwest Corporation shall be classified as competitive, effective January 28, 2005.

The Commissioners, having determined this Order to be consistent with the public interest, enter this Order.

DATED at Olympia, Washington, and effective this 29th day of December, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner