

Agenda Date: August 31, 2005  
Item Numbers: C3 and C4

**Dockets: UT-051261  
UW-051287**

Company Name: Telecommunications – General  
Water - General

Staff: Betty Erdahl, Regulatory Analyst  
Danny Kermode, Regulatory Analyst

**Recommendation:**

Direct the Secretary to file a CR-101 to begin a rulemaking proposing to eliminate the requirement in WAC 480-140-020 that a telecommunications company and a water company file its budget with the Commission.

**Background:**

The Utilities and Transportation Commission is committed to the elimination of regulatory requirements that become unnecessary due to changes in regulatory methods or market conditions. The requirement that telecommunications companies and water companies file budget reports may be obsolete, and the agency can fulfill its responsibility to ensure fair, just and reasonable rates without this reporting requirement. The requirement currently applies to four telecommunications companies: Qwest, CenturyTel, Sprint, and Verizon.

The Commission last considered this question in 1999 during its comprehensive review of the budget rules. At that time, U S WEST (now Qwest) and GTE (now Verizon) argued for elimination. The Commission decided then to continue the budget reporting requirement.

No water companies are currently required to file budgets. This is based on annual gross operating revenue exceeding two hundred fifty thousand dollars and no requirement to file water system plans with the Department of Health in compliance with WAC 246-290-100. Eight water systems reported 2004 revenues exceeding two hundred fifty thousand dollars, and DOH requires all of them to file water system plans.

**Schedule:**

Staff does not anticipate the need for a workshop or other form of oral comment opportunity before the Commission decides whether to propose a change to WAC 480-140-020. The schedule calls for written comments by October 20, 2005, and a decision on whether to propose a rule change by November 2, 2005. A hearing on the proposed rule is required by law, and this hearing would occur on December 6, 2005. The Commission could decide whether to adopt a rule change immediately thereafter.

**Conclusion:**

Staff recommends that the Commission consider elimination of the requirement in WAC 480-140-020 that telecommunications companies and water companies file budgets with the Commission.