UT-240746



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October 8, 2024

Mr. Jeff Killip, Executive Director and Secretary Washington Utilities and Transportation Commission 621 Woodland Square Loop SE Lacey, WA 98503

RE: Skyline Telecom Inc d/b/a Rally Networks – Third Revised Sheet No. 23 Canceling Second Revised Sheet No. 23

Dear Mr. Killip:

Attached for filing you will find the above referenced tariff sheet. The purpose of this filing is to increase the residential rate from \$19.50 to \$22.60.

The local rate in Mt Hull is increasing due to the regulatory rules regarding the Access Recovery Charge (ARC). Customers are required to pay the ARC if the total of the local rate, subscriber line charge, state and local 911 fees, state USF fees, state subscriber line charges and mandatory EAS fall below the total of \$30.00. The ARC would be the difference between the total of those components and the \$30.00 benchmark, but cannot exceed \$3.00. In addition to the ARC, the customer also pays the federal universal service charge (FUSC) on the ARC.

In the case of Skyline Telecom, Inc. dba Rally Networks (the "Company") customers are paying the tariffed rate of \$2.72 with the FUSC being and additional \$0.97. In total, the customers are currently paying \$26.95 for local service including the fees listed above. In addition to that amount, they are paying the ARC and FUSC on the ARC. This total amounts to approximately \$30.64. By increasing the local rate to \$22.60, the Company is able to eliminate the requirement to charge the ARC and the FUSC associated with the ARC. The customer will see a reduction in their bill by approximately \$0.59 on a monthly basis.

As a company, the Company is able to bill and keep the entire amount of the local rate going forward, whereas currently, we collect the ARC and FUSC and then turn those revenues over to the agencies responsible for collecting those tariffed rates.

In this scenario, the Company increases its revenues and its customers see a decrease in the total billing for telephone services.

Sincerely,

Delinda Kluser

Vice-President, Special Project Accountant