

Telecommunications Companies

WAC

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WAC 480-120-015 Exemptions from rules in chapter 480-120 WAC. ~~(1) The commission may grant an exemption from the provisions of any rule in this chapter, if consistent with the public interest, the purposes underlying regulation, and applicable statutes.~~

~~(2) To request a rule exemption, a person must file with the commission a written request identifying the rule for which an exemption is sought, and provide a full explanation of the reason for requesting the exemption. In addition to any other reason, parties may allege force majeure was the factor leading to the request for waiver.~~

~~(3) The commission will assign the request a docket number, if it does not arise in an existing docket, and will schedule the request for consideration at one of its regularly scheduled open meetings or, if appropriate under chapter 34.05 RCW, in an adjudication. The commission will notify the person requesting the exemption, and other interested persons, of the date of the hearing or open meeting when the commission will consider the request.~~

~~(4) In determining whether to grant the request, the commission may consider whether application of the rule would impose undue hardship on the requesting person, of a degree or a kind different from hardships imposed on other similarly situated persons, and whether the effect of applying the rule would be contrary to the purposes of the rule.~~

~~(5) The commission will enter an order granting or denying the request, or setting it for hearing, pursuant to chapter 480-09 WAC.~~

The commission may grant an exemption from the provisions of any rule in this chapter in accordance with WAC 480-07-110 (Exceptions from and modifications to the rules in this chapter; special rules.)

WAC 480-120-021 Definitions. The definitions in this section apply throughout the chapter except where there is an alternative definition in a specific section, or where the context clearly requires otherwise.

"Access charge" means a rate charged by a local exchange carrier to an interexchange carrier for the origination, transport, or termination of a call to or from a customer of the local exchange carrier. Such origination, transport, and termination may be accomplished either through switched access service or through special or dedicated access service.

"Access line" means a circuit providing exchange service between a customer's standard network interface and a serving switching center.

"Affiliate" means ~~an entity that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another entity a person or corporation that is an "affiliated interest" as defined in RCW 80.16.010.~~

"Ancillary services" means all local service features excluding basic service.

"Applicant" means any person applying to a telecommunications company for new service or reconnection of discontinued service.

"Average busy hour" means a time-consistent hour of the day during which a switch or trunk carries the most traffic. This definition is applied on an individual switch and an individual trunk basis.

"Basic service" means service that includes the following:

- Single-party service;
- Voice grade access to the public switched network;
- Support for local use;
- Dual tone multifrequency signaling (touch-tone);
- Access to emergency services (E911);
- Access to operator services;
- Access to interexchange services;
- Access to directory assistance; and
- Toll limitation services.

"Business" means a for profit or not-for-profit organization, including, but not limited to, corporations, partnerships, sole proprietorships, limited liability companies, government agencies, and other entities or associations.

~~**"Business days"** means days of the week excluding Saturdays, Sundays, and official state holidays.~~ **"Business day"** means any day when the commission's offices are open to the public. Commission offices are open to the public between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except on official state holidays, as defined in RCW 1.16.050 (Legal holidays and legislatively recognized days.).

"Business office" means an office or service center provided and maintained by a company.

"Business service" means service other than residential service.

"Busy season" means an annual, recurring, and reasonably predictable three-month period of the year when a switch or trunk carries the most traffic. This definition is applied on an individual switch and an individual trunk basis.

"Call aggregator" means any corporation, company, partnership, or person, who, in the ordinary course of its operations, makes telephones available to the public or to users of its premises for telephone calls using a provider of operator services, including, but not limited to, hotels, motels, hospitals, campuses, and pay phones (see also pay phone service providers).

"Call detail" has the meaning found in WAC 480-120-201 ([Definitions](#)).

"Category of service" means local, data services such as digital subscriber line service, interexchange, or CMRS. Information about a customer's intraLATA and interLATA primary interexchange carrier freeze status is part of the local category.

"Central office" means a company facility that houses the switching and trunking equipment serving a defined area.

"Centrex" means a telecommunications service providing a customer with direct inward dialing to telephone extensions and direct outward dialing from them.

"Class A company" means a local exchange company with two percent or more of the access lines within the state of Washington.

"Class B company" means a local exchange company with less than two percent of the access lines within the state of Washington.

"Commercial mobile radio service (CMRS)" means any mobile (wireless) telecommunications service that is provided for profit that makes interconnected service available to the public or to such classes of eligible users as to be effectively available to a substantial portion of the public.

"Commission (agency)" in a context meaning a state agency, means the Washington utilities and transportation commission.

"Company" means any telecommunications company as defined in RCW 80.04.010.

"Competitively classified company" means a company that is classified as competitive by the commission pursuant to RCW 80.36.320.

"Customer" means a person to whom the company is currently providing service.

"Customer premises equipment (CPE)" is equipment located on the customer side of the SNI (other than a carrier) and used to originate, route, or terminate telecommunications.

"Customer proprietary network information (CPNI)" has the meaning found in WAC 480-120-201 ([Definitions](#)).

"Discontinue; discontinuation; discontinued" means the termination of service to a customer.

"Drop facilities" means company-supplied wire and equipment placed between a premises and the company distribution plant at the applicant's property line.

"Due date" means the date an action is required to be completed by rule or, when permitted, the date chosen by a company and provided to a customer as the date to complete an action.

"Emergency response facility" means fire stations, hospitals, police stations, and state and municipal government emergency operations centers.

"Exchange" means a geographic area established by a company for telecommunications service within that area.

"Extended area service (EAS)" means telephone service extending beyond a customer's exchange, for which the customer may pay an additional flat-rate amount per month.

"Facility or facilities" means lines, conduits, ducts, poles, wires, cables, cross-arms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, real estate, easements, apparatus, property and routes used, operated, owned or controlled by a telecommunications company to facilitate the provision of telecommunications service.

"Force majeure" means natural disasters, including fire, flood, earthquake, windstorm, avalanche, mudslide, and other similar events; acts of war or civil unrest when an emergency has been declared by appropriate governmental officials; acts of civil or military authority; embargoes; epidemics; terrorist acts; riots; insurrections; explosions; and nuclear accidents.

"Interexchange" means telephone calls, traffic, facilities or other items that originate in one exchange and terminate in another.

"Interexchange company" means a company, or division thereof, that provides long distance (toll) service.

"Interoffice facilities" means facilities connecting two or more telephone switching centers.

"InterLATA" is a term used to describe services, revenues, functions, etc., that relate to telecommunications originating in one LATA and terminating outside of the originating LATA.

"IntraLATA" is a term used to describe services, revenues, functions, etc., that relate to telecommunications that originate and terminate within the same LATA.

"Local access and transport area (LATA)" means a local access transport area as defined by the commission in conformance with applicable federal law.

"Local calling area" means one or more rate centers within which a customer can place calls without incurring long-distance (toll) charges.

"Local exchange company (LEC)" means a company providing local exchange telecommunications service.

"Major outages" means a service failure lasting for thirty or more minutes that causes the disruption of local exchange or toll services to more than one thousand subscribers; total loss of service to a public safety answering point or emergency response agency; intercompany trunks or toll trunks not meeting service requirements for four hours or more and affecting service; or an intermodal link blockage (no dial tone) in excess of five percent for more than one hour in any switch or remote switch.

"Missed commitment" means orders for exchange access lines for which the company does not provide service by the due date.

"Order date" means the date when an applicant requests service unless a company identifies specific actions a customer must first take in order to be in compliance with tariffs, price lists, or commission rules. Except as provided in WAC 480-120-061 ([Refusing service](#)) and 480-120-104 ([Information to consumers](#)), when specific actions are required of the applicant, the order date becomes the date the actions are completed by the applicant if the company has not already installed or activated service.

When an applicant requests service that requires customer-ordered special equipment, for purposes of calculating compliance with the one hundred eighty-day requirement of WAC 480-120-112 (Company performance for orders for nonbasic service) the order date is the application date unless the applicant fails to provide the support structure or perform other requirements of the tariff or price list. In the event the applicant fails to provide the support structure or perform the other requirements of the tariff or price list, a new order date is established as the date when the applicant does provide the support structure or perform the other requirements of the tariff or price list.

"Pay phone" or **"pay telephone"** means any telephone made available to the public on a fee-per-call basis independent of any other commercial transaction. A pay phone or pay telephone includes telephones that are coin-operated or are activated by calling collect or using a calling card.

"Pay phone services" means provision of pay phone equipment to the public for placement of local exchange, interexchange, or operator service calls.

"Pay phone service provider (PSP)" means any corporation, company, partnership, or person who owns or operates and makes pay phones available to the public.

"Payment agency" means a physical location established by a local exchange company, either on its own premises or through a subcontractor, for the purpose of receiving cash and urgent payments from customers.

"Person" means an individual, or an organization such as a firm, partnership, corporation, municipal corporation, agency, association or other entity.

"Prior obligation" means an amount owed to a local exchange company or an interexchange company for regulated services at the time the company physically toll-restricts, interrupts, or discontinues service for nonpayment.

"Private account information" means customer proprietary network information that is associated with an identifiable individual.

"Proprietary" means owned by a particular person.

"Provision" means supplying telecommunications service to a customer.

"Public access line (PAL)" means an access line equipped with features to detect coins, permit the use of calling cards, and such other features as may be used to provision a pay phone.

"Public safety answering point (PSAP)" means an answering location for enhanced 911 (E911) calls originating in a given area. PSAPs are designated as primary or secondary. Primary PSAPs receive E911 calls directly from the public; secondary PSAPs receive E911 calls only on a transfer or relay basis from the primary PSAP. Secondary PSAPs generally serve as centralized answering locations for a particular type of emergency call.

"Residential service" means basic service to a household.

"Restricted basic service" means either the ability to receive incoming calls, make outgoing calls, or both through voice grade access to the public switched network, including E911 access, but not including other services that are a part of basic service.

"Results of operations" means a fiscal year financial statement concerning regulated operations that include revenues, expenses, taxes, net operating income, and rate base. The rate of return is also included as part of the results of operations. The rate of return is the percentage of net operating income to the rate base.

"Service interruption" means a loss of or impairment of service that is not due to, and is not, a major outage.

"Service provider" means any business that offers a product or service to a customer, the charge for which appears on the customer's telephone bill.

"Special circuit" means an access line specially conditioned to give it characteristics suitable for handling special or unique services.

"Standard network interface (SNI)" means the protector that generally marks the point of interconnection between company communications facilities and customer's terminal equipment, protective apparatus, or wiring at a customer's premises. The network interface or demarcation point is located on the customer's side of the company's protector, or the equivalent thereof in cases where a protector is not employed.

"Station" means a telephone instrument installed for the use of a subscriber to provide toll and exchange service.

"Subscriber list information (SLI)" means any information:

(a) Identifying the listed names of subscribers of a company and those subscribers' telephone numbers, addresses, or primary advertising classifications (as such classifications are assigned when service is established), or any combination of listed names, numbers, addresses, or classifications; and

(b) That the company or an affiliate has published, caused to be published, or accepted for publication in any directory format.

["Subsidiary" means any company in which the Class A company owns directly or indirectly five percent or more of the voting securities.](#)

"Support structure" means the trench, pole, or conduit used to provide a path for placement of drop facilities.

"Telecommunications-related products and services" means:

(a) The offering of telecommunications for a fee directly to the public, or to such classes of users to be effectively available directly to the public, regardless of the facilities used; or

(b) Services offered over common carrier transmission facilities which employ computer processing applications that act on the format, content, code, protocol, or similar aspects of the subscriber's transmitted information, provide the subscriber additional, different, or restructured information, or involve subscriber interaction with stored information; or

(c) Equipment employed on the premises of a person to originate, route, or terminate telecommunications.

"Telecommunications service" means the offering of telecommunications for a fee directly to the public, or to such classes of users to be effectively available directly to the public, regardless of the facilities used.

"Telemarketing" means contacting a person by telephone in an attempt to sell one or more products or services.

"Toll restriction" or **"toll restricted"** means a service that prevents the use of a local access line to initiate a long distance call using a presubscribed interexchange company.

"Traffic" means telecommunications activity on a telecommunications network, normally used in connection with measurements of capacity of various parts of the network.

"Trouble report" means a report of service affecting network problems reported by customers, and does not include problems on the customer's side of the SNI.

"Trunk" means, in a telecommunications network, a path connecting two switching systems used to establish end-to-end connection. In some circumstances, both of its terminations may be in the same switching system.

PART VIII. FINANCIAL RECORDS AND REPORTING RULES

[Subpart A: General Rules](#)

WAC 480-120-X01 Filing information. (1) **Filing.** The commission records center will accept any filing under PART VIII delivered in person or by mail, or, when procedures are in place, electronically.

(2) **Commission may require additional information.** The commission may require information in addition to that specified by statute or in this chapter.

(3) **Information by reference.** When any information required to support a filing is on file with the commission, it is sufficient to make specific reference to the information indicating the proceeding, report, or other filing that contains the referenced information.

(4) **When information is unavailable.** If any required information is unavailable at the time of the filing, the filing must include the reason why the information is not available and state when it will be available.

WAC 480-120-X02 Additional reports. PART VIII does not supersede any reporting requirement specified in a commission order or limit the commission's ability to request additional information.

WAC 480-120-305 Streamlined filing requirements for Class B telecommunications company rate increases. (1) A Class B company, as defined in WAC 480-120-~~302(4)~~ 021 (Definitions), may use the streamlined treatment described in this section for seeking a general rate increase, as an alternative to the requirements in WAC 480-09-330.

(2) **General information required.** A Class B company seeking streamlined treatment for a proposed general rate increase must submit the following information at the time of filing or prior to its first notice to customers, whichever occurs first:

(a) A copy of its customer notice as specified in subsection (6) of this section.

(b) A results-of-operations statement, on a commission basis, demonstrating that the company is not presently exceeding a reasonable level of earnings. If the company is exceeding a reasonable level of earnings, the proposed increase must be reduced accordingly.

(c) All supporting documentation used to develop the results-of-operations statement, including supporting documentation for all adjustments.

(d) The results-of-operations statement filed under this subsection must include Washington intrastate results of operations. If a company cannot provide Washington intrastate results of operations with reasonable accuracy, the commission may consider the total Washington results of operations including the interstate jurisdiction.

(3) **Adjustments provided for in the results of operations.**

(a) The results-of-operations statement must provide restating actual adjustments and pro forma adjustments in accordance with (b) of this subsection.

(b) Before the achieved return is calculated, a company must adjust the booked results of operations for restating actual and proforma adjustments, including the following:

- (i) Nonoperating items;
- (ii) Extraordinary items;
- (iii) Nonregulated operating items; and
- (iv) All other items that materially distort the test period.

(4) **Rate of return.** The authorized overall rate-of-return (for purposes of this section only) is eleven and twenty-five one-hundredths percent.

(5) **Rate design.** A Class B company filing pursuant to this section must clearly describe the basis for allocating any revenue requirement change proposed by customer class (e.g., residential, business, and interexchange).

(6) **Customer notice.** The company must notify customers consistent with the manner outlined in WAC 480-120-194 ([Publication of proposed tariff changes to increase charges or restrict access to services](#)), and must include the following information:

(a) The proposed increase expressed in (i) total dollars and average percentage terms, and (ii) the average monthly increases the customers in each category or subcategory of service might reasonably expect;

(b) The name and mailing address of the commission and public counsel;

(c) A statement that customers may contact the commission or public counsel with respect to the proposed rate change; and

(d) The date, time, and place of the public meeting, if known.

(7) **Public meeting(s).** The commission will ordinarily hold at least one public meeting in the area affected by the rate increase within forty-five days after the date of filing.

(8) **Final action.** The commission will ordinarily take final action on a filing under this section within ninety days after the date of filing.

(9) The commission may decline to apply the procedures outlined in this section if it has reason to believe that:

(a) The quality of the company's service is not consistent with its public service obligations; or

(b) A more extensive review is required of the company's results of operations or proposed rate design.

(10) Nothing in this rule will be construed to prevent any company, the commission, any customer, or any other party from using any other procedures that are otherwise permitted by law.

WAC 480-120-321 Expenditures for political or legislative activities. (1) The commission will not allow either direct or indirect expenditures for political or legislative activities for rate-making purposes.

(2) For purposes of this rule political or legislative activities include, but are not limited to:

(a) Encouraging support or opposition to ballot measures, legislation, candidates for a public office, or current public office holders;

(b) Soliciting support for or contributing to political action committees;

(c) Gathering data for mailing lists that are generated for the purposes of encouraging support for or opposition to ballot measures, legislation, candidates for public office, or current office holders, or encouraging support for or contributions to political action committees;

(d) Soliciting contributions or recruiting volunteers to assist in the activities set forth in (a) through (c) of this subsection.

(3) Political or legislative activities do not include activities directly related to appearances before regulatory or local governmental bodies necessary for the utility's operations.

WAC 480-120-322 Retaining and preserving records and reports. (1) [Companies Each company](#) must keep all records and reports required by these rules or commission order for three years unless otherwise specified in subsection (2) of this section. No records may be destroyed before the expiration of three years or the time specified in subsection (2) of this section, whichever is applicable.

(2) [Companies Each company](#) must adhere to the retention requirements of Title 47, Code of Federal Regulations, Part 42, Preservation of Records of Communication Common Carriers published by the Federal Communications Commission. The effective date is stated in WAC 480-120-999 [\(Adoption by reference\)](#).

WAC 480-120-323 Washington Exchange Carrier Association (WECA). (1) The Washington Exchange Carrier Association (WECA) may:

(a) File petitions with the commission;

(b) Publish and file tariffs with the commission; and

(c) Represent before the commission those members that so authorize. WECA's rules of procedure are on file with the commission under Docket No. UT-920373, and may be obtained by contacting the commission's records center.

(2) Subject to all the procedural requirements and protections associated with company filings before the commission, WECA must submit to the commission:

(a) All initial WECA tariffs; and

- (b) All changes to the tariffs.
- (3) A member of WECA may file directly with the commission:
 - (a) Tariffs, price lists, and contracts;
 - (b) Revenue requirement computations;
 - (c) Revenue objectives;
 - (d) Universal service support cost calculations;
 - (e) Total service long run incremental cost studies;
 - (f) Competitive classification petition;
 - (g) Other reports; or
 - (h) Any other item it or the commission deems necessary.
- (4) The commission has the authority to supervise the activities of WECA.

However, such supervision will not compromise the independent evaluation by the commission of any filing or proposal that must be submitted to the commission for approval.

(5) To the extent that WECA is involved in the collection and redistribution of funds under commission orders authorizing certain revenue sharing arrangements under common tariff, it must maintain, provide, and report to the commission annual financial reports, by July 1 of each year, relating to the arrangements. Annual financial reports must include:

- (a) Actual fund collections and distributions to each member company;
- (b) The basis upon which the collection and distribution is made;
- (c) Board membership;
- (d) Special committee membership; and
- (e) The status and description of any open WECA docket proceedings.

(6) Each local exchange company in the state of Washington has the option of using WECA as its filing agent, tariff bureau, or both. Companies using WECA collectively may file intrastate rates, tariffs, or service proposals.

(7) Nothing in this section will be construed as amending or modifying WECA's current methods of administration. WECA's access charge pooling administration plan is on file with the commission and may be obtained by contacting the commission's records center and requesting the "Ninth Supplemental Order in Docket UT-971140 with Attachment" dated June 28, 2000.

Subpart B: Accounting Requirements.

WAC 480-120-301 ~~Accounting requirements for c~~Competitively classified companies.

Competitively classified companies must keep accounts using generally accepted accounting principles (GAAP), or any other accounting method acceptable to the

commission. In addition, the accounts must allow for identification of revenues for Washington intrastate operations subject to commission jurisdiction.

WAC 480-120-302 ~~Accounting requirements for c~~Companies not classified as competitive. (1)~~(a) Companies with two percent or more of state access lines and companies with less than two percent of state access lines are classified as follows:~~

Class	Number of Access Lines as of December 31 from prior year's annual report
A	2% or more of state access lines
B	Less than 2% of state access lines

~~For example:~~

Company X access lines as of 12/31/98 Divided by	33,823	
Total state access lines as of 12/31/98	3,382,320	
Equals company access lines as a percentage of total access lines.		1%

~~Therefore, company X is
a Class B company.~~

~~(b) As long as a company can show it serves less than two percent of the total access lines listed in (a) of this subsection, it may compare future years to the year listed in the example above, as a safe harbor option.~~

~~(c) If a company has more than two percent of the total access lines listed in (a) of this subsection, but believes that it has less than two percent of a subsequent year to that listed in the example above, it may use the more recent "total state access lines" as of that subsequent year in order to calculate a different threshold, as long as it provides all relevant information in a letter of certification to the commission concurrent with its election. For purposes of this rule the raw data may be requested from the commission's record center in order for the company seeking the data to generate its own calculation subsequent, and pursuant, to this rule.~~

(2)(a) For accounting purposes, companies not classified as competitive must use the *Uniform System of Accounts (USOA) for Class A and Class B Telephone Companies* published by the Federal Communications Commission (FCC) and designated as Title 47, Code of Federal Regulations, Part 32, (47 CFR 32, or Part 32). The effective date for Part 32 is stated in WAC 480-120-999 ([Adoption by reference](#)). Companies not classified as competitive wishing to adopt changes to the USOA made by the FCC after the date specified in WAC 480-120-999, must petition for and receive commission approval. The petition must include the effect of each change for each account and subaccount on an annual basis for the most recent calendar year ending December 31. If the petition is complete and accurate the commission may choose to grant such approval through its consent agenda.

(b) Class B companies may use Class A accounting, but Class A companies shall not be permitted to use Class B accounting.

(32) The commission modifies Part 32 as follows:

(a) Any reference in Part 32 to "Commission," "Federal Communications Commission," or "Common Carrier Bureau" means the Washington utilities and transportation commission.

(b) Companies not classified as competitive must keep subsidiary records to reflect Washington intrastate differences when the commission imposes accounting or ratemaking treatment different from the accounting methods required in subsection (2) of this section. Companies not classified as competitive must maintain subsidiary accounting records for:

- (i) Residential basic service revenues;
- (ii) Business basic service revenues;
- (iii) Access revenues for each universal service rate element;
- (iv) Special access revenues; and
- (v) Switched access revenues.

- (c) Part 32 section 24, compensated absences, is supplemented as follows:
- (i) Companies not classified as competitive must record a liability and charge the appropriate expense accounts for sick leave in the year in which the employees use the sick leave ~~is used by employees~~.
 - (ii) Companies not classified as competitive must keep records for:
 - (A) Compensated absences that are actually paid; and
 - (B) Compensated absences that are deductible for federal income tax purposes.
 - (d) Companies not classified as competitive that have multistate operations must keep accounting records that provide Washington results of operations. The methods used to determine Washington results of operations must be acceptable to the commission.
 - (e) Part 32 section 32.11(a) is replaced by subsection (1) of this section.
 - (f) Part 32 section 32.11 (d) and (e) are replaced by subsection (1) of this section.
 - (g) The commission does not require Part 32 section 32.2000 (b)(4). This rule does not supersede any accounting requirements specified in a commission order, nor will it be construed to limit the commission's ability to request additional information on a company specific basis. This rule does not dictate intrastate ratemaking.
 - (h) Any reference in Part 32 to "Class A" or "Class B" means the classification as set out in subsection (1) of this section.

Subpart C: Financial Reporting Requirements.

WAC 480-120-X03 Issuing securities. (1) At least five business days before a telecommunication company subject to the provisions of chapter 80.08 RCW issues stocks, stock certificates, other evidence of interest or ownership, bonds, notes, or other evidences of indebtedness, or assumes any obligation or liability as guarantor, it must file with the commission:

- (a) A description of the proposed issuance including the type of security, the anticipated amount of the total issuance, and the terms of the financing;
- (b) A statement of the specific purposes for which the issuance is made and the approximate amount anticipated to be used for each specific purpose. The statement must be accompanied by a certification by an officer authorized to do so that the proceeds from any such financing will be used for one or more of the purposes allowed by RCW 80.08.030;
- (c) A statement as to why the issuance is in the public interest; and
- (d) Any additional information specifically requested of the company by the commission.

(2) Any company making such a filing may request from the commission a written order affirming that the company has complied with the requirements of RCW 80.08.040. The company must submit the request for a commission order, along with a completed filing, at least fifteen business days before the requested effective date.

(3) An authorized representative must sign and date the filing and include a certification or declaration that the information is true and correct under penalties of perjury as set forth in RCW 9A.72. The certificate or declaration must be in substantially the following form:

“I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.”

(4) Within thirty days after the issuance of any securities a company must file with the commission a verified statement:

- (a) Outlining the final terms and conditions of the transaction; and
- (b) Setting forth the disposition of proceeds stating the final amount to be used for each purpose.

WAC 480-120-X04 Transferring cash or assuming obligation. (1) At least five business days before a Class A company, or any subsidiary of such a company, transfers cash to any of its affiliates or subsidiaries or assumes an obligation or liability of any of its affiliates or any of its subsidiaries, the company must report the amount and the terms of the transaction to the commission if:

(a) A single transaction amount exceeds five percent of prior calendar year gross operating revenue; or

(b) Cumulative transactions with all subsidiaries and affiliates, including the anticipated transactions, for the prior twelve months exceed five percent of prior calendar year gross operating revenue.

(2) The reporting requirement in this section does not include payments for:

(a) Federal income taxes;

(b) Goods, services, or commodities; or

(c) Transactions previously approved by the commission.

(3) This section does not apply to companies classified as competitive pursuant to RCW 80.36.320.

WAC 480-120-X05 Affiliated interests—Contracts or arrangements. At least five business days before the effective date of any contract or arrangement described in RCW 80.16.020, each telecommunications company subject to the provisions of chapter

80.16 RCW must file a verified copy or a verified summary, if unwritten, of contracts or arrangements with any affiliated interest. At least five business days before the effective date of any modification or amendment, the company must file verified copies of the modifications or amendments to the contracts or arrangements. If the contract or arrangement is unwritten, the company must file a verified summary of any modification or amendment. The commission may institute an investigation and disapprove the contract or arrangement if the commission finds the company has failed to prove that it is reasonable and consistent with the public interest.

WAC 480-120-X06 Transfers of property. Before selling, leasing, or assigning any of its property or facilities, or before acquiring property or facilities of another public utility, a telecommunications company subject to the provisions of chapter 80.12 RCW must obtain from the commission an order authorizing such transaction in accordance with chapters 80.12 RCW (Transfers of property) and 480-143 WAC (Commission General—Transfers of Property).

WAC 480-120-303 Reporting requirements for Annual report for competitively classified companies. The commission will distribute an annual report form including a regulatory fee form. A competitively classified company must:

- (1) Complete both forms, file them with the commission, and pay its regulatory fee, no later than May 1st of each year;
- (2) Provide total number of access lines as required on the annual report form;
- (3) Provide income statement and balance sheet for total company; and
- (4) Provide revenues for Washington and Washington intrastate operations subject to commission jurisdiction.

WAC 480-120-304 Reporting requirements for Annual report for companies not classified as competitive. (1) Annual reports for companies not classified as competitive. The commission will distribute an annual report form as specified in (c)(i), (ii), and (iii) of this subsection, and a regulatory fee form. A company not classified as competitive must:

- (a) Complete both forms, file them with the commission, and pay its regulatory fee, no later than May 1 of each year;
- (b) Provide total number of access lines as required on the annual report form;
and
- (c) Provide income statement and balance sheet for total company and results of operations for Washington and Washington intrastate.

(i) Class A companies that the FCC classified as Tier 1 telecommunications companies in Docket No. 86-182 must file annual report forms adopted by the FCC.

(ii) All other Class A companies must file annual reports on the form prescribed by the commission.

(iii) Class B companies must file annual reports as prescribed by RCW 80.04.530(2).

(2) Quarterly reports for companies not classified as competitive:

(a) All Class A companies must file results of operations quarterly.

(b) Each report will show monthly and twelve-months-ended data for each month of the quarter reported.

(c) The reports are due ninety days after the close of the period being reported, except for the fourth-quarter report which is due no later than May 1 of the following year.

(3) Methods used to determine Washington intrastate results of operations must be acceptable to the commission.

(4) This rule does not supersede any reporting requirements specified in a commission rule or order, or limit the commission's authority to request additional information.

WAC 480-120-X07 Securities report. Each telecommunications company subject to the provisions of chapter 80.08 RCW that has issued securities during the prior year, must file with the commission by April 1 of each year an annual securities transaction report. At a minimum, the report must contain:

(1) A detailed description of the final agreements;

(2) A description of the use of proceeds stating the amounts used for each purpose;

(3) The level of expenses for each of the securities transactions for the year ending December 31;

(4) Information to determine the individual and collective impact on capital structure; and

(5) The pro forma cost of money for the securities transactions.

WAC 480-120-X08 Affiliated interest and subsidiary transactions report. (1) By June 1 of each year, each telecommunications company subject to the provisions of chapter 80.16 RCW must file a report summarizing all transactions that occurred between the company and its affiliates, and the company and its subsidiaries, during the period January 1 through December 31 of the preceding year.

(2) The information required in this subsection must be for total company and for state of Washington. The report must include a corporate organization chart of the company and its affiliates and subsidiaries and a balance sheet and income statement for each affiliate. In addition, the report must contain the following information for each affiliate and each subsidiary that had transactions with the company during the preceding year:

(a) A description of the products or services to or by the company and its affiliates, and the company and its subsidiaries;

(b) A description of the pricing basis or costing method, and procedures for allocating costs for such products or services, and the amount and accounts charged during the year;

(c) A description of the terms of any loans between the company and its affiliates and the company and its subsidiaries and a listing of the year-end loan amounts and maximum loan amounts outstanding during the year;

(d) A description of the terms and maximum amount of any obligation or liability assumed by the company for any affiliate or subsidiary;

(e) A description of the terms of cash transfers between the company and its affiliates and its subsidiaries including the total amounts transferred from the company to its affiliates or subsidiaries and from the affiliates or subsidiaries to the company;

(f) A description of the activities of the affiliates and subsidiaries with which the company has transactions; and

(g) A list of all common officers and directors between the affiliate and subsidiary companies and the telecommunications company along with their titles in each organization.

(3) The report required in this section will supersede the reporting requirements contained in previous commission orders authorizing affiliated interest transactions pursuant to chapter 80.16 RCW.

(4) The company is obligated to file verified copies of affiliated interest contracts and arrangements as stated in WAC 480-120-X05 (Affiliated interests—Contracts or arrangements).

WAC 480-120-311 Access charge and universal service reporting. (1) Intrastate mechanism reporting.

(a) Until legislation creating a new universal service fund is adopted and effective and commission rules to implement the legislation are adopted and effective, each Class A company in the state of Washington and the Washington Exchange Carrier Association, must provide annually:

(i) The actual demand units for the previous calendar year for each switched access tariff rate element (or category of switched access tariff rate elements, both originating and terminating) it has on file with the commission.

(ii) Primary toll carriers (PTCs) must file, in addition to the information required in (a)(i) of this subsection, the annual imputed demand units for the previous calendar year that the company would have had to purchase from itself if it had been an unaffiliated toll carrier using feature group D switched access service (including intraLATA and interLATA, both originating and terminating demand units). For purposes of this subsection, a PTC means a local exchange company offering interexchange service(s) to retail customers using feature group C switched access service for the origination or termination of any such service(s).

(b) The report containing the information required in (a) of this subsection must be filed by July 1 of each year.

(c) Each company providing information required by this section must include complete work papers and sufficient data for the commission to review the accuracy of the report.

(2) Annual state certification requirements for interstate (federal) mechanism. Each eligible telecommunications carrier (ETC) in Washington receiving federal high-cost universal service support funds must provide the following to the commission not later than August 31 of each year:

(a) A certification that, during the calendar year preceding the year in which certification is made, the ETC provided the supported services required by 47 U.S.C. § 214(e) and described in the commission order granting it ETC status;

(b) A certification that, during the calendar year preceding the year in which certification is made, the ETC advertised the availability of supported services and the charges for them as required by 47 U.S.C. § 214(e) and as described in the commission order granting it ETC status;

(c) A certification that funds received by it from the federal high-cost universal service support fund will be used only for the provision, maintenance, and upgrading of the facilities and services for which the support is intended;

(d) The amount of all federal high-cost universal service fund support received for the calendar year preceding the year in which the filing must be made (this includes, but is not limited to, High Cost Loop Support or "HCL", Local Switching Support or "LSS", Long Term Support or "LTS", Interstate Access Support or "IAS", and Interstate Common Line Support or "ICLS");

(e) The loop counts on which federal high-cost universal service support was based for support received during the calendar year preceding the year in which the filing must be made;

(f) The certifications required in (a) through (e) of this subsection must be made in the same manner as required by RCW 9A.72.085.