

Chapter 480-146 WAC
COMMISSION GENERAL--SECURITIES, LIENS, AFFILIATED INTEREST
~~REFUNDING OF NOTES, LEASE OF UTILITY FACILITIES~~
WAC

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I. GENERAL RULES

WAC 480-146-240 Application of rules. The rules in this chapter apply to any public service company that ~~meets the requirements for~~ is subject to the jurisdiction of the commission regulation or jurisdiction under RCW 80.04.010 80.08, 81.08, 80.16, or 81.16. The rules do not apply to a competitively classified telecommunications company or to

a local exchange company that ~~serves less than two percent of the access lines in the state of Washington~~ is exempt pursuant to RCW 80.04.530.

~~The commission may waive or modify the application of any rule to a public service company upon written request or upon the commission's own motion, except when such provisions are fixed by statute. The waiver or modification must be approved by the commission in writing. Violations of these rules will be subject to the penalty provisions of chapter 80.04 RCW.~~

WAC 480-146-X01 Exemptions from rules in chapter 480-146 WAC. (1) The commission may grant an exemption from the provisions of any rule in this chapter, if consistent with the public interest, with the purposes underlying regulation, and with 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, giving a full explanation of the reason for requesting the exemption.

(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 petitioner, of a degree or a kind different from hardship 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.

WAC 480-146-X02 Additional requirements. (1) These rules do not relieve any public service company from any of its duties and obligations under the laws of the state of Washington.

(2) The commission retains the authority to impose additional or different requirements on any public service company in appropriate circumstances, consistent with the requirements of law.

WAC 480-146-X03 Severability. If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

WAC 480-146-250 Filing. ~~Any filing under this chapter must be made at the commission by mail or in person or as the commission otherwise may provide.~~ The commission records center will accept any filing under this chapter delivered in person, by mail, fax, or, when procedures are in place, electronically.

WAC 480-146-260 Commission may require additional information. The commission may require the applicant to file or provide pertinent information in addition to that specified by statute or in this chapter.

WAC 480-146-270 Applicant may include information by reference. When any information required to support ~~an application~~ a filing is on file with the commission, it is sufficient for the applicant to make specific reference to the information indicating the proceeding, report, or other filing that contains the referenced information.

WAC 480-146-280 Applicant duty when information is unavailable. If any required information is unavailable at the time of the ~~application filing~~, the applicant must include with the application filing the reason why the information is not available and state when it will be available.

II. SECURITIES

WAC 480-146-290 Securities statements and applications. Any public service company that issues stocks, stock certificates, other evidence of interest or ownership, bonds, notes, or other evidence of indebtedness must file a statement with the commission. A corporation formed by a merger or consolidation that issues securities must also file a statement with the commission. Statements must include:

- (1) A description of the purposes for which the issuance is made, including a certification by an officer authorized to do so that the proceeds from any such financing is for one or more of the purposes allowed by RCW 80.08.030 or 81.08.030;
- (2) A description of the proposed issuance including the terms of the financing; and
- (3) A statement as to why the transaction is in the public interest.

Any public service company making such a filing may request from the commission a written order affirming that the public service company has complied with the requirements of RCW 80.08.040. For purposes of this chapter, a request for such an order is termed an application.

WAC 480-146-300 Filing requirements for securities statements and applications. The applicant must submit all information required to comply with the requirements of RCW 80.08.040 or 81.08.040 and any additional information deemed necessary by the

commission. The applicant, authorized representative, or applicant's attorney must sign and date the statement and include a certification that the information is true and correct to the signer's information and belief, under penalties of perjury as set forth in RCW 9A.72.085. When an applicant requests an order affirming compliance with RCW 80.08.040 it must submit a draft order.

WAC 480-146-310 Commission may set securities application or statement for public hearing. The commission will act upon a complete, filed application or statement as promptly as possible. The commission may consider the application or statement without public hearing or ~~can~~ may order a hearing.

WAC 480-146-320 Minimum time required for commission order. A public service company must submit an application, except as provided in WAC 480-146-330, at least fifteen working days prior to the requested effective date for a commission order. The fifteen-day period will start once the applicant has filed with the commission all information and exhibits required by WAC 480-146-290.

~~**WAC 480-146-330 Supplemental securities filings may be exempt from time limitations.** Supplemental filings made:~~

- ~~(1) To comply with a previous order;~~
- ~~(2) To change the terms and conditions of a previous order; or~~
- ~~(3) To request that flaws in a previous order must be corrected are exempt from~~

~~WAC 480-146-320.~~

WAC 480-146-340 Reporting of securities transactions. (1) A public service company must file a letter with the commission outlining the final terms and conditions of the transaction, within thirty days after the issuance of any of the following:

- (a) Stock;
- (b) Stock certificates;
- (c) Other evidence of interest or ownership;
- (d) Bonds;
- (e) Notes; or
- (f) Other evidences of indebtedness.

(2) Every public service company, as defined in the application of rules WAC 480-146-240, 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:

- (a) A detailed description of the final agreements;
- (b) A description of the use of proceeds;

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

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

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

(3) Any public service company that is not required to file an annual report must maintain complete records of any securities transactions as outlined in subsection (2) of this section. The commission may request any information as it determines necessary.

III. AFFILIATED INTERESTS

WAC 480-146-350 Filing of dealings with affiliated interests transactions. Every public service company must file a verified copy, or a verified summary, if unwritten, of contracts or arrangements with affiliated interests before the effective date of the contract or arrangement. Verified copies of modifications or amendments to the contracts or arrangements must be filed before the effective date of the modification or amendment. If the contract or arrangement is unwritten, then a public service company must file a verified summary of any amendment or modification. The commission may institute an investigation and disapprove the contract or arrangement if the commission finds the public service company has failed to prove that it is reasonable and consistent with the public interest.

~~**WAC 480-146-360 Reporting of affiliated interest transactions.** (1) Every public service company, as defined in the application of rules WAC 480-146-240 must file with the commission by June 1 of every year an annual report of all affiliated interest transactions that occurred during the period January 1 through December 31 of the preceding year.~~

~~(2) The annual report must include a corporate organization chart of the public service company and its affiliates.~~

~~(3) The annual report must contain the following information for each affiliate that had transactions with the public service company during the preceding year:~~

~~(a) A description of the products or services flowing between the public service company and any affiliated interest;~~

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

~~(c) A description of the terms of any loans between the public service company and its affiliate 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 debt guarantees by the public service company for any affiliate and a listing of the year_end debt amounts and maximum debt amounts outstanding during the year;~~

~~(e) A detailed description of the activities of the affiliates with which the public service company has transactions;~~

~~(f) A list of all common officers and directors of the affiliated interest company and the public service company along with their titles in each organization, and;~~

~~(g) Appropriate financial information for each affiliated interest company including, but not limited to, a balance sheet and income statement.~~

~~The commission may request any additional information during its review of the public service company’s annual report of affiliated interest transactions.~~

~~(4) The annual report required by this section will supersede the reporting requirements contained in previous commission orders authorizing affiliated interest transactions pursuant to chapter 80.16 RCW.~~

~~(5) The public service company is obligated to file verified copies of affiliated interest contracts and arrangements as stated in WAC 480-146-350.~~

IV. LEASE OF UTILITY FACILITIES

WAC 480-146-370 Application for approval of lease of utility facilities. ~~The~~ Under the provisions of RCW 80.04.520, the applicant must certify that the requested approval of lease of utility facilities is necessary to exempt any owner of the facilities from being a public utility company under the Public Utility Holding Company Act of 1935.

WAC 480-146-380 Form of lease application. A filing for approval of lease of utility facilities must be submitted in the following form:

**BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

In the Matter of the Application of) No.
)
(INSERT NAME)) (Number to
) be inserted
For an Order Approving the) by ~~Secretary of~~
Lease of Utility Facilities.) Commission)
.....)

February 18, 2003

Application is hereby made to the Washington Utilities and Transportation Commission for an order authorizing the lease of utility facilities. The following general information and exhibits are furnished in support:

GENERAL INFORMATION

1. Name of applicant.
2. Address of principal office of applicant.
3. Name and address of attorney or agent.
4. State or states under which applicant is organized and form of organization.
5. A general description of the property owned by applicant and the field of its operations.

EXHIBIT "A"

A statement by applicant certifying that the requested approval is necessary or appropriate to exempt any owner of the facilities from being a public utility company under the federal Public Utility Holding Company Act of 1935.

EXHIBIT "B"

Detailed unconsolidated balance sheet as of three months before the date the application is filed, and a pro forma balance sheet as of the same date showing the effect of the proposed lease. Indicate separately the amount of intangibles and the amount reflected in plant acquisition adjustment account if such items are included in the fixed capital or utility plant accounts of the balance sheet.

EXHIBIT "B-1"

(A) Detailed income and profit-and-loss statement for the twelve months ended as of the date of the balance sheet submitted as Exhibit "B."

(B) Reconciliation of the retained earnings account for the period covered by the income and profit-and-loss statement. Retained earnings should be segregated from other surplus accounts.

EXHIBIT "C"

1. A description of the property to be leased.
2. The historical or original cost of the property to be leased and the related accrued depreciation. (Estimated in both cases if actual amounts are not known.)
3. The amount of contributions in aid of construction.
4. Terms of the lease.

EXHIBIT "D"

Economic and financial justification for entering into the proposed lease including a lease versus purchase analysis.

EXHIBIT "E"

Show such other facts that may be pertinent to the application.

Wherefore, ~~¶~~The undersigned applicant requests that the Washington Utilities and Transportation Commission ~~make its~~ enter an order granting ~~to such applicant its~~ this application.

Dated at, this day of, 1920 . . .

.....
(Applicant)
By
Title.....