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SERVICE DATE

APR 30 1998

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)
))
SOUTHWESTERN BELL COMMUNICATIONS)
SERVICES, INC.))
)) DOCKET NO. UT-971363
))
for Classification as a Competitive)
Telecommunications Company.) ORDER GRANTING PETITION
))
.....)

By petition filed September 8, 1997, Southwestern Bell Communications Services, Inc. (Southwestern), seeks classification in Docket No. UT-971363 as a competitive telecommunications company pursuant to RCW 80.36.320 and WAC 480-120-023. Southwestern is registered with the Commission as a telecommunications company to provide resold direct-dialed long distance, "800/888", and calling card services to the public. In support of its petition, Southwestern alleges *inter alia* that its services compete with other interexchange carriers' telecommunication services. The company filed written testimony in support of competitive classification, which accompanied its petition.

In conjunction with classification, the company is seeking waiver of the requirements of various provisions of chapter 80.36 RCW and chapter 480-120 WAC.

The company seeks the following waivers:

RCW 80.04.300	Budgets to be filed by companies--supplementary budgets
RCW 80.04.310	Commission's control over expenditures
RCW 80.04.320	Budget rules
RCW 80.04.330	Effect of unauthorized expenditure--Emergencies
RCW 80.04.360	Earnings in excess of reasonable rate--Consideration in fixing rates
RCW 80.04.460	Investigation of accidents
RCW 80.04.520	Lease of utility facilities
Chapter 80.08 RCW	Securities (Except RCW 80.08.140, State not obligated)
Chapter 80.12 RCW	Transfers of Property
Chapter 80.16 RCW	Affiliated Interests
RCW 80.36.100	Tariff schedules to be filed and open to public
RCW 80.36.110	Tariff changes--Statutory notice--Exception
WAC 480-120-026	Tariffs
WAC 480-120-031	Accounting
WAC 480-120-032	Accounting--Political information and political education activities
WAC 480-120-036	Finance--Securities, affiliated interest, transfer of property
WAC 480-120-046	Services offered
WAC 480-120-131	Reports of accidents
Chapter 480-80 WAC	Tariffs
Chapter 480-140 WAC	Budgets
Chapter 480-143 WAC	Transfers of Property
Chapter 480-146 WAC	Securities and Affiliated Interests

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On its own motion, the Commission determined that on the face of the petition no substantial issues of controversy were presented, and invoked the provisions of WAC 480-09-520, Formal investigation and fact-finding. A Notice of Formal Investigation and Fact-Finding was issued on February 24, 1998. In that notice the Commission directed interested persons seeking to intervene to file a written petition to intervene not later than March 17, 1998. All interested persons were advised that, pursuant to WAC 480-09-520, no hearing was contemplated other than possible hearings for public testimony. No petitions for intervention were filed and no public hearings were necessary to develop the facts relevant to the proceeding.

Rules invoked include those within chapter 480-09 WAC, specifically WAC 480-09-520 and WAC 480-120-022, WAC 480-120-023, WAC 480-120-024, and WAC 480-120-025. Statutes invoked include RCW 80.36.145 and 80.36.320. The ultimate issues are whether Southwestern should be classified as a competitive telecommunications company, and the extent to which it should be relieved of regulatory requirements to which it would otherwise be subject.

Based upon the entire record and the file in this matter, the Commission makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. Southwestern is registered with the Commission as a telecommunications company to provide resold direct-dialed long distance, "800/888", and calling card services to the public.
2. Alternative providers of service to that of Southwestern include AT&T Communications, Inc., U S WEST Communications, Inc., MCI Communications Corporation, and Sprint Communications Company. All services are fully available from alternative providers in the relevant market.
3. The relevant market is the state of Washington.
4. Southwestern has no captive customer base.
5. The services offered are subject to effective competition.
6. Southwestern should be permitted to provide services under a price list.
7. Southwestern requested waivers of certain laws and rules relating to telecommunications services. The laws and rules for which waivers should be granted are listed on Appendix A, attached, incorporated by this reference, and made a part of this Order.

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CONCLUSIONS OF LAW

1. The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this classification proceeding and the parties.
2. Southwestern should be classified as a competitive telecommunications company pursuant to RCW 80.36.320(1).
3. Southwestern should be permitted to provide services under price lists pursuant to RCW 80.36.320 (2), the format of which will be subject to prior approval by the Commission. These services will not include alternate operator services as defined in WAC 480-120-141.
4. Southwestern should be granted waiver of the laws and rules listed in Appendix A. Waiver of laws and rules requested that are not included in Appendix A should be denied.

ORDER

THE COMMISSION ORDERS:

1. The petition of Southwestern Bell Communications Services, Inc., for classification as a competitive telecommunications company, is granted.
2. Waiver is granted of the laws and rules listed in Appendix A.
3. Southwestern Bell Communications Services, Inc., is authorized to offer services under price lists, the format of which will be subject to prior approval by the Commission, with price lists effective only after ten days notice to the Commission and to customers. In the event of a price reduction or a change in terms or conditions which do not have rate impact, personal notice to customers will not be required. Although the Commission does not have authority to waive the notice requirement, Southwestern Bell Communications Services, Inc., will have the option to publish notice of price reductions by a display advertisement in such newspaper or newspapers as are geographically situated so as to be circulated over the company's service area.
4. The services offered by Southwestern Bell Communications Services, Inc., are not to include alternate operator services as defined in WAC 480-120-141.

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5. The Commission retains jurisdiction over the subject matter and the parties to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective this *21st* day of April 1998.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



ANNE LEVINSON, Chair



RICHARD HEMSTAD, Commissioner



WILLIAM R. GILLIS, Commissioner

APPENDIX A

RCW 80.04.300	Budgets to be filed by companies--Supplementary budgets
RCW 80.04.310	Commission's control over expenditures
RCW 80.04.320	Budget rules
RCW 80.04.330	Effect of unauthorized expenditure--Emergencies
RCW 80.04.360	Earnings in excess of reasonable rate--Consideration in fixing rates
RCW 80.04.460	Investigation of accidents
RCW 80.04.520	Lease of utility facilities
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