

DRAFT RULES

May 2, 2001

**NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(Tuesday, May 22, 2001)
NOTICE OF WORKSHOP
(June 5, 6, 7, 2001)**

RE: Telecommunications - Operations, Chapter 480-120 WAC
Docket No. UT-990146

TO ALL INTERESTED PERSONS:

The Commission Staff has completed a discussion draft of the consumer rules in Chapter 480-120 Telecommunications - Operations. The proposed rules have been drafted based on comments received and discussion at previous stakeholder workshops. The draft rules are available for inspection on the Commission's web site at www.wutc.wa.gov/990146. The Commission will send a paper copy of the draft rules or will send the proposal via electronic mail, if requested.

STAKEHOLDER WORKSHOP

We encourage your attendance and participation in the stakeholder workshop. The workshop will be held **Tuesday, June 5, Wednesday, June 6, and Thursday, June 7, 2001** in Room 206 at the Commission's headquarters, beginning at 9:30 a.m. Stakeholder workshops typically end by 5:00 p.m., however, to avoid scheduling workshops in the months of July and August, these workshops may be continued beyond 5:00 p.m. or reconvened in the evenings.

Free parking is available. The Commission's address is:

Washington Utilities & Transportation Commission
1300 South Evergreen Park Drive SW
P.O. Box 47250
Olympia, Washington 98504-7250

ALTERNATIVE RULE LANGUAGE REQUESTED

Alternative rule language is requested from those who provide written comments. Alternative rule language received not later than Tuesday, May 22, 2001, will be made available to all participants at the stakeholder workshop for discussion. Alternative rule language will also be used in the decision-making process of the staff

44 as it prepares recommendations to the Commission. Alternative rule language and
45 written comments may be submitted to the Commission at the address above. Written
46 comments should be filed with the Commission no later than **Tuesday, May 22, 2001.**
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48 **Electronic copies.** The Commission also requests, but does not require, that
49 comments be provided in electronic format to facilitate quotations from the
50 comments, to enhance public access, and to reduce the need for additional paper
51 copies. Please help us by sending an electronic copy with your paper filing on a 3-1/2
52 inch, IBM-formatted, high density disk, in .pdf Adobe Acrobat format, reflecting the
53 pagination of your original. Please also send us the text in your choice of .doc (Word
54 97 or later) or .wpd (Wordperfect 6.0 or later). Please include all of the following
55 information on the label of the diskette:
56

- 57 * The docket number of this proceeding (UT-990146)
 - 58 * The commenting party's name
 - 59 * The title and date of the comment or comments; and
 - 60 * The type of software used
- 61

62 Please use the three-letter extension noted above for all electronic files. You may also
63 send your comments by electronic mail to the Commission's Records Center at
64 <records@wutc.wa.gov>; if you choose this means of submitting comments, please
65 include all of the information requested above for the diskette label. The Commission
66 will post on the Commission's web site all comments that are provided in electronic
67 format. The web site is located at <<http://www.wutc.wa.gov>>.
68

69 Opportunity for further comment is anticipated. Information about schedule and other
70 aspects of the rulemaking, including comments, will be posted on the Commission's
71 web site as it becomes available. If you wish to receive further information on this
72 rulemaking you may (1) call the Commission's Records Center at 360-664-1234, (2)
73 e-mail the Commission at <records@wutc.wa.gov>, or (3) mail written comments to
74 the address below. When contacting the Commission, please refer to Docket No.UT-
75 990146 to ensure that you are placed on the appropriate service list. The
76 Commission's mailing address is:
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78 Secretary
79 Washington Utilities and Transportation Commission
80 1300 South Evergreen Park Drive SW
81 P O Box 47250
82 Olympia, Washington 98504-7250

83 NOTICE

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85 **If you don't want to comment now, but do want to receive future information**
86 **about this rulemaking, please notify the Secretary in one of the ways described**

87 **above and ask to be included on the mailing list for Docket No. UT-990146. If**
88 **you do not do this, you will not receive further information about this**
89 **rulemaking.**

90
91 Sincerely,

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93
94 CAROLE J. WASHBURN
95 Secretary

96
97 Enclosure
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99 **UT-990146**
100 **Chapter 480-120 - Telecommunications - Operations**

101 **DRAFT**

102 **CONSUMER RULES**

103 **WAC 480-120-031, X02, 041, 042, X31, 045,**
104 **056, X21, 057, 058, 061, 081, X07, X32, X22, 087,**
105 **088, 089, 101, X33, 106, X34, 116, 121, 138, 139, 141, 144**

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108 April 30, 2001
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111 **WAC 480-120-031 Accounting requirements for companies not competitively**
112 **classified.**

113 (1) Companies with two percent or more of state access lines and companies with less
114 than two percent of state access lines are classified as follows:

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116	Class	Number of Access Lines as of
117		December 31 from prior year's
118		annual report
119		
120	A	2% or more of state access
121		lines
122	B	Less that 2% of state access
123		lines
124		

125 For example:

126	Company X access lines as of 12/31/98	33,823
127		
128	Divided by	_____
129		
130	Total state access lines as of 12/31/98	3,382,320

131
132 Equals company access lines as a percentage
133 of total access lines. 1%

134
135 Therefore, company X is a **Class B** company.

136 (2) For accounting purposes companies not competitively classified must use the
137 *Uniform System of Accounts (USOA) for **Class A** and **Class B** Telephone Companies*
138 published by the Federal Communications Commission (FCC) and designated as Title
139 47, Code of Federal Regulations, Part 32, (47 CFR 32, or Part 32). The effective date
140 for Part 32 is stated in WAC 480-120-999. **Class B** companies may use **Class A**
141 accounting. Companies not competitively classified wishing to adopt changes to the
142 USOA made by the FCC after the date specified in WAC 480-120-999, must petition for
143 and receive commission approval.

144 (3) The commission modifies Part 32 as follows:

145 (a) Any reference in Part 32 to "Commission," "Federal Communications
146 Commission," or "Common Carrier Bureau" means the Washington Utilities and
147 Transportation Commission.

148 (b) Companies not competitively classified must keep subsidiary records to
149 reflect Washington intrastate differences when the commission imposes accounting or
150 ratemaking treatment different from the accounting methods required in WAC 480-80-
151 031(2). Companies not competitively classified must maintain subsidiary accounting
152 records for:

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

158 (c) Part 32 section 24, compensated absences, is supplemented as follows:

159 (i) Companies not competitively classified must record a liability and
160 charge the appropriate expense accounts for sick leave in the year in which the sick
161 leave is used by employees.

162 (ii) Companies not competitively classified must keep records for:

- 163 (A) Compensated absences that are actually paid.
- 164 (B) Compensated absences that are deductible for federal income

165 tax purposes.

166 (d) Companies not competitively classified that have multistate operations must
167 keep accounting records that provide Washington results of operations. The methods
168 used to determine Washington results of operations must be acceptable to the
169 commission.

170 (e) Part 32 section 32.11(a) is replaced by section (1).

171 (f) Part 32 section 32.11(d) and (e) are replaced by section (1).

172 (g) The commission does not require Part 32 section 32.2000(b)(4).

173 This rule does not supersede any accounting requirements specified in a commission
174 order, nor will it be construed to limit the commission's ability to request additional
175 information on a company specific basis. This rule does not dictate intrastate
176 ratemaking.

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WAC 480-120-X02 Reporting requirements for companies not competitively classified.

(1) Annual Reports for companies not competitively classified. The commission will distribute an annual report form as specified in section (c)(i), (ii), and (iii), and a regulatory fee form. A company not competitively classified 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 competitively classified.

(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.