

## **Telecommunications Companies**

### **WAC 480-120-304 Reporting requirements 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) Special Reports.**

**(a) Financial transaction reports.** Twenty days prior to the transfer of cash, credit, or any pecuniary interest between a company, its subsidiaries, or its affiliates, the company must report to the commission the amount and the details of the transaction when:

- (i) A single transaction amount exceeds five percent of prior calendar year gross operating revenue; or
- (ii) A cumulative transaction amount for the prior twelve months exceeds five percent of prior calendar year gross operating revenue.

**(b) Annual subsidiary transaction report.** The annual subsidiary

transaction report must summarize all transactions that occurred between the company and its subsidiaries during the period January 1 through December 31 of the preceding year. This report is due by June 1 of each year.

(c) **Annual affiliated interest transactions report.** Each company, as defined in WAC 480-146-240 that has a contract or arrangement with an affiliate, must summarize all transactions that occurred between the company and its affiliated interests during the period January 1 through December 31 of the preceding year. This report is due by June 1 of each year. The annual affiliated interest transactions report must include a corporate organization chart of the company and its affiliates and must contain the following information for each affiliate that had transactions with the company during the preceding year:

(i) A description of the products or services flowing between the company and any affiliated interest;

(ii) 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;

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

(iv) A description of the terms and maximum amount of any debt guarantees by the company for any affiliate and a listing of the year-end debt amounts and maximum debt amounts outstanding during the year;

(v) A description of all exchanges of cash or credit between the company and its affiliates including the terms and amount of each exchange;

(vi) A detailed description of the activities of the affiliates with which the company has transactions;

(vii) A list of all common officers and directors of the affiliated interest company and the telecommunications company along with their titles in each organization; and

(viii) 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 company's annual affiliated interest transactions report.

(d) The company may submit the reports required in (b) and (c) of this subsection:

(i) As stand-alone reports; or

(ii) As part of the annual report required in subsection (1) of this section.

(e) The annual affiliated interest transactions report required in (c) of this subsection will supersede the reporting requirements contained in previous

commission orders authorizing affiliated interest transactions pursuant to chapter 80.16 RCW.

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