

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET NO. UT-051641
TRANSPORTATION	)	
COMMISSION,	)	ORDER NO. 01
	)	
Complainant,	)	
	)	
v.	)	
	)	
ELLENSBURG TELEPHONE	)	
COMPANY	)	
	)	ORDER INSTITUTING
Respondent.	)	INVESTIGATION
.....	)	

**BACKGROUND**

1 Ellensburg Telephone Company (Ellensburg or Respondent) filed a promotion in Docket No. UT-051320 on August 31, 2005, with an effective date of September 1, 2005, that offered customers who subscribed to the Respondent’s broadband Internet access service a \$17.53 credit for the monthly rate for Exchange Access Line Service including all applicable taxes, charges and surcharges that would otherwise apply to the Exchange Access Line Service. The broadband Internet access service included the Respondent’s digital subscriber line (DSL) service and required its affiliate’s Internet service provider (ISP) service. The offer was limited to customers who were full-time students at Yakima Valley Community College or Central Washington University. Customers who accepted the offer received a modified form of Exchange Access Line Service that allowed no voice services other than outbound calls to 911 and Ellensburg’s business office. (This is often referred to as “soft dial tone.”) When contacted, Ellensburg stated that it intended to offer the discount for the duration of the school year.

- 2 Ellensburg made a second, related tariff filing on September 19, 2005, in Docket No. UT-051404, with an effective date of September 20, 2005. The filing changed the expiration date of the offer to November 29, 2005, which was 90 days after the effective date of the first filing. (RCW 80.36.110(2)(b), which allows promotions to take effect upon filing, defines a “promotion” as a discount that lasts no longer than 90 days.) Ellensburg made this filing after Staff expressed its concern that the Respondent’s first filing had not met the statutory conditions that allow a filing to take effect upon filing. Ellensburg signed up a number of customers under the “school year” description of the promotion before it revised the expiration date.
- 3 On October 28, 2005, Ellensburg filed a third tariff revision in Docket No. UT-051641, with an effective date of November 29, 2005. This filing offers the same credit through May 2006 only for those customers already signed up.
- 4 From the information provided by Ellensburg with the tariff filings, it appears that a cross subsidy may exist between the affiliated ISP, DSL service and “soft dial tone” service. Under the current proposal, it appears to Staff that the Company would have intrastate expenses for “soft dial tone” services but no revenue. If all revenue from the bundle of ISP, DSL service and “soft dial tone” service is booked as interstate, Staff believes that the investment for providing “soft dial tone” service would not be included in rate base should the Company file a general rate case sometime in the future.

### FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of

public service companies, including telecommunications companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.36 RCW.*

- 6 (2) Ellensburg is engaged in the business of providing telecommunications services within the state of Washington and is a public service Respondent subject to the jurisdiction of the Commission under the provisions of Chapter 80.36 RCW.
- 7 (3) RCW 80.040.070 authorizes the Commission and Staff to inspect the accounts, books papers, and documents of any public service Respondent.
- 8 (4) The Commission deems it necessary to conduct an investigation under this statute in order to carry out the duties imposed on it by law, to investigate the books, accounts, practices, and/or activities of Respondent.

## ORDER

### THE COMMISSION ORDERS:

- 9 (1) An investigation is instituted by the Commission on its own motion.
- 10 (2) Respondent may be required to pay the expenses reasonably attributable and allocable to such investigation to such investigation to the extent the requirement for such payment may be in accordance with the provisions of Chapter 80.20 RCW.

DATED at Olympia, Washington, and effective this 9<sup>th</sup> day of November, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner

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