

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of	)	
	)	
UNITED TELEPHONE COMPANY OF	)	DOCKET NO. UT-971689
THE NORTHWEST d/b/a SPRINT,	)	
	)	
for Competitive Classification of its	)	
IntraLATA Toll Services.	)	
.....	)	

NOTICE OF  
 FORMAL INVESTIGATION AND FACT-FINDING  
 and  
 NOTICE OF OPPORTUNITY  
 TO INTERVENE AND FILE COMMENTS

(January 21, 1998)

On November 26, 1997, United Telephone Company of the Northwest, d/b/a Sprint ("United") filed for competitive classification of its intra-LATA (local access and transport area) toll services pursuant to RCW 80.36.330 and WAC 480-120-022. The specific services subject to this investigation are those listed currently in United's Tariff WN U-2. For purposes of this investigation, the relevant product market is inter-exchange message toll service and related toll calling plans within each LATA in which United provides local exchange service. The relevant product market also is limited in this investigation to those intra-LATA toll services provided on an "equal access" basis whereby a customer chooses a primary inter-exchange carrier to which all "1+" intra-LATA toll calls are directed. The geographic market for purposes of this investigation is the state of Washington. In a supplemental letter, dated December 8, 1997, United has agreed to adhere to all the conditions imposed on GTE Northwest Incorporated in the First Supplemental Order in Docket UT-970767. These conditions include the following:

- 1) United is required to demonstrate that its rates do not create a "price squeeze" for its toll competitors, who must buy access from United. United has provided its imputation analysis as a confidential cost support exhibit with their Primary Toll Carrier filings in Docket Nos. UT-961262, UT-961263 and UT-961264. Commission Staff believes the proposed toll rates do not result in a price squeeze, because the average rates under each toll plan are sufficiently high to cover the access charges that United would incur and the incremental cost of toll service. The only exception to this is the Toll-Pac offering, which has been grandfathered as of the date of this petition and related filings are approved.

2) United will file with the Commission every six months a report on the status of competition in the relevant market for its intraLATA intrastate switched inter-exchange message toll service, addressing at a minimum the factors contained in RCW 80.36.330(1), until otherwise ordered by the Commission.

3) United may not terminate local exchange service for non-payment of inter-exchange service.

In addition, United is not requesting a waiver of any WAC.

The Commission on its own motion determines that use of the formal investigation and fact-finding process is in the public interest and that a formal adjudication is not necessary to fully develop the facts relevant to this investigation and the positions of the parties including intervenors. The Commission therefore invokes the provisions of RCW 80.36.145 and WAC 480-09-520.

THE COMMISSION ORDERS AND NOTICE IS GIVEN That the Commission is instituting formal investigation and fact-finding pursuant to RCW 80.36.145 and WAC 480-09-520 to determine whether the intra-LATA toll services of United Telephone Company of the Northwest d/b/a Sprint, as described in this Notice, are subject to effective competition in the state of Washington and should be classified as competitive telecommunications services.

All persons interested in this investigation are notified that no hearing is contemplated in this matter other than possible hearings for receipt of public testimony. All persons seeking to intervene in this matter shall file a written petition to intervene, and file written comments not later than January 21, 1998. Any objection to use of formal investigation and fact-finding must be filed with a petition to intervene. If necessary, a hearing for the purpose of taking oral motions to intervene will be scheduled. That hearing may be recessed into a pre-hearing conference to consider procedural aspects of the proceeding.

The Commission will consider petitions to intervene and objections, if any, and determine whether the petition of United continues to qualify as an abbreviated proceeding. At any time, by written notice, the Commission may convert an abbreviated proceeding into a formal adjudication.

The Public Counsel Division of the Office of Attorney General has been designated to represent the public. Inquiries of Public Counsel should be made to address and telephone number listed below.

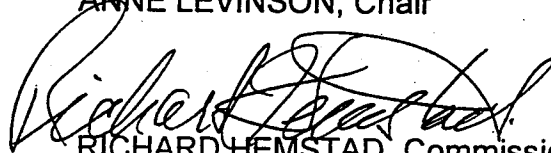
If the Commission concludes that hearings or further procedural phases in this investigation are necessary and appropriate, additional written notice will be provided to persons submitting a petition to intervene.

DATED at Olympia, Washington, and effective this <sup>19~~th~~</sup> day of December 1997.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



ANNE LEVINSON, Chair



RICHARD HEMSTAD, Commissioner



WILLIAM R. GILLIS, Commissioner

Address inquiries of the  
Commission to:

Secretary  
Washington Utilities and  
Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
P. O. Box 47250  
Olympia, WA 98504-7250  
360-753-6423

Address inquiries of Public Counsel to:

Public Counsel Section  
Office of the Attorney General  
900 Fourth Avenue, Suite 2000  
Seattle, WA 98164-1012  
206-464-7744