

October 6, 2011

See attached List

RE: Staff investigation to establish a State Universal Service Fund, Docket UT-110858

Dear Ms. Buckley:

As a continuation of last year's work and consistent with the 2010 *Report Reviewing State Telecommunications Policies on Universal Service*; the Commission Staff has developed the following **information requests** in cooperation with the local exchange companies (LECs)<sup>1</sup> that are members of the Washington Exchange Carrier Association (WECA).<sup>2</sup>

The information gathered via this process will be used to assist the Commission in its developing role as additional federal regulatory and state legislative efforts commence later this year and into next year. The parties all agree that this level of information is necessary to determine if there is a need for a state of Washington Universal Service Fund (WUSF).

If **responses to these information requests** are considered to be confidential, please read and comply with Washington Administrative Code (WAC) 480-07-160. **Responses** to these initial requests should be submitted to the Commission's Records Center in, "**Docket UT-110858,**" by **Tuesday, November 8, 2011 :**

1. Please provide a populated version of the "*modified*" Rural LEC Model (*see: Attachment 2*), for each Local Exchange Company's operations, with 2009 Total Washington results, in Excel (.xls) electronic format.<sup>3</sup>

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<sup>1</sup> As represented by the Washington Independent Telecommunications Association (WITA) committee members.

<sup>2</sup> *See: Attachment 1* for a complete list of the WECA companies that this information request applies to.

<sup>3</sup> *Attachment 2* has been modified in order to remove working capital from line 7 and to include federal universal service fund revenue by adding line 23 as a separate line item. The Excel file will be sent via e-mail to each party receiving this letter.

2. Please provide Part 64 cost allocation model (or manual if available) including detailed calculations and explanations of the assumptions used in the allocations to non-regulated operations.
3. Please explain in narrative form each “Known and Measurable” adjustment.
4. Please provide the Corporate Operations Expense adjustment for 2009, if any, based on the FCC’s rule in *47 CFR 36.621(a)(4)*.
5. Please provide:
  - a. List of all affiliated companies.
  - b. Balance sheet and an income statement for each affiliated company that has any transaction(s) with the LEC (other than purchase of regulated tariffed services).
  - c. Consolidated balance sheet and income statement for the combined LEC and all of its affiliated companies (as defined in FCC Part 32 and 64 rules for this purpose).  
*The balance sheets should be as of December 31, 2009, and the income statements should be for the twelve months ended December 31, 2009, respectively.*
6. Please explain how shared costs are apportioned between the regulated operations of the LEC and each affiliated company listed in the response to the previous question 5., above.
7. Please complete the attached list (*see: Attachment 3*) for each LEC and each affiliated company operating in the state of Washington.<sup>4</sup>
8. For each bundled service offered by the LEC that includes a regulated service, please provide an example of how the revenues are booked within each regulated company and non-regulated affiliate, if any.
9. Please provide a trial balance of accounts at a Class B accounting level, if available, (including amount and description for each detailed account) as of the twelve months ended December 31, 2009, in an electronic format. If a more detailed accounting level is available, up to Class A accounting level, please provide the trial balance of accounts at that level in an electronic format for the same period in lieu of the Class B accounting level.
10. Within the LEC service territory, please provide the number of retail customers served by the LEC for each type and class of voice-grade, narrowband, and broadband services provided during the month of December, 2009.

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<sup>4</sup> *Attachment 3* has been modified in order to include the company’s name and date.

11. Please provide a complete copy of the audited financial statements for 2009 for the LEC [unless unavailable, then provide either a copy of the audited financial statements for 2009 for the parent company (consolidated) or a complete copy of the 2009 federal income tax return filing made on behalf of the regulated local exchange company].

Commission Staff requests that your responses be provided in electronic format (i.e. Word, Excel, and Acrobat). Responses should be submitted via the Commission's Web portal ([www.utc.wa.gov/e-filing](http://www.utc.wa.gov/e-filing)). Please also include a cover letter containing the following:

- The docket number of this proceeding: **UT-110858**
- The Local Exchange Company's name.
- The contact person's name, telephone number, and e-mail address.

If you have any questions about this notice you may contact Mr. Tim Zawislak at (360) 664-1294 or e-mail at <[tim@utc.wa.gov](mailto:tim@utc.wa.gov)>.

Sincerely,

**WILLIAM H. WEINMAN**  
Assistant Director of Telecommunications, Regulatory Services Division,  
Washington Utilities and Transportation Commission Staff

Attachments (3)

cc: Rick Finnigan, WECA Counsel  
Betty Buckley, WITA Executive Director  
Brian Thomas, WUTC Telecom Policy Advisor