

November 13, 2007

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

re: Docket UT-060760, Beaver Creek

Dear Ms. Washburn:

On June 14, 2006, the Washington State Utilities and Transportation Commission (WUTC) issued Order 01 in Docket UT-060760. The Order established an initial WCAP Revenue objective of \$319,150 for Beaver Creek Telephone Company, now doing business as Timberline Telecom (Timberline). Paragraph 13 of the Order adopted Staff's recommendation to require Timberline to establish a new revenue objective after the company had incurred actual expense for a period of at least one year. To that end, Timberline representatives met with WUTC Staff on September 18, 2007 to present the results of its operations for the period July 1, 2006 through June 30, 2007.

Staff spent considerable time reviewing that data and requested supplemental information on at least three occasions. Timberline cooperated with Staff to reach a conclusion in this matter. This morning, Staff and Timberline agreed to a WCAP revenue objective of \$105,436. The primary driver of the reduction is the pending receipt of Federal Universal Service Funds (USF) for high cost loop support.

Timberline has authorized GVNW to accept Staff's recommended WECA pool revenue objective of \$105,436. Attached is the data supporting Timberline's computation.

Respectfully submitted,

Carsten Koldsbaek
Consulting Manager
GVNW Consulting, Inc

copies (without enclosures)

Chairman Mark Sidran, Washington Utilities and Transportation Commission

Commissioner Philip Jones, Washington Utilities and Transportation Commission

Commissioner Patrick Oshie, Washington Utilities and Transportation Commission

Mr. Garrin Bott, Beaver Creek

Ms. Paula Strain, WUTC Staff

Mr. Bob Shirley, WUTC Staff

Mr. Tim Zawislak, WUTC Staff