

FEB 11 1994

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Application of)	
)	
GTE NORTHWEST INCORPORATED and)	DOCKET NO. UT-910499
CONTEL OF THE NORTHWEST, INC.,)	
)	
For an Order Approving Contracts)	SIXTH SUPPLEMENTAL ORDER
with Affiliated Interests for)	AFFIRMING AND ADOPTING
Services and Purchases)	INITIAL ORDER, AS MODIFIED
.)	

NATURE OF PROCEEDINGS: This matter was initiated by a May 3, 1991 filing by GTE Northwest Incorporated ("GTE-NW" or "company") and Contel of the Northwest, Inc. ("Contel"), of an application for approval of three affiliated interest agreements. On June 5, 1992, the parties filed a proposed settlement stipulating to the approval of the affiliated interest agreements, subject to certain conditions, including conditions regarding rate reductions and the authorized rate of return for the applicants. On August 18, 1992, the parties filed an amendment to the settlement. The Commission approved the amended settlement on September 24, 1992.¹

On October 29, 1992, in Docket No. UT-921240, GTE-NW filed with the Commission revisions to its currently effective Tariff WN U-11. The revisions included changes to switched access usage rates, increases to non-recurring charges, and the addition of Extended FGA Switched Transport and FGA Optional Toll Blocking. GTE-NW stated the \$2,000,103 annual revenue reduction for these access services fulfilled its obligations under the Commission's Second Supplemental Order. In order to immediately reflect the revenue reduction in rates, the Commission approved the company's filing on December 30, 1992. A complaint to determine whether further access charge reductions are required by the Second Supplemental Order was initiated by the Commission.²

HEARINGS: Administrative Law Judge Heather L. Ballash of the Office of Administrative Hearings convened a prehearing conference on the Commission complaint on February 23, 1993. A public hearing was held on April 27, 1993, to cross-examine all prefiled direct and rebuttal testimony of the parties. That hearing also was designated to receive testimony and exhibits, if any, from members of the public.

¹ Second Supplemental Order Accepting Amended Settlement Agreement and Affiliated Interest Agreements, Docket No. UT-910499, September 24, 1992.

² Third Supplemental Order Initiating Complaint and Notice of Hearing, Docket No. UT-910499, January 25, 1993.

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APPEARANCES: GTE Northwest Incorporated was represented by Richard E. Potter, attorney, Everett. The Staff of the Washington Utilities and Transportation Commission ("Commission Staff") was represented by Steven Smith, assistant attorney general, Olympia. The public was represented by Charles F. Adams, assistant attorney general, Seattle ("Public Counsel"). U S WEST Communications, Inc. ("U S WEST"), was represented by Molly Hastings.

INITIAL ORDER: The Administrative Law Judge entered an Initial Order on August 17, 1993, that would sustain the complaint, and require GTE-NW to reduce its access charges to cost. The Initial Order contemplated additional hearings (1) to determine whether the rates filed under GTE-NW's Advice No. 572 are just and reasonable and in compliance with the Commission's Second Supplemental Order, and (2) to determine whether refunds of access charges are appropriate and whether penalties should be assessed.

COMMISSION: The Commission affirms and adopts the Initial Order, with modifications. The Commission orders the company to reduce its access charges to cost to be effective on the date of entry of this Order.

SCOPE OF PROCEEDINGS

This matter was initiated by a May 3, 1991 joint filing by GTE-NW and Contel of three affiliated interest agreements involving the integration of operations of the two companies. The approval of these agreements was represented as a necessary prelude to a legal merger of the two companies.

Before the Commission could undertake hearings to determine whether the affiliated interest agreements were in the public interest, the parties filed with the Commission a June 5, 1992 joint motion for approval of settlement. The settlement proposed to resolve not only the affiliated interest agreements, but all issues regarding the ultimate legal merger of GTE-NW and Contel and the related issues of revenue requirement, rate of return, and rate design.

The Commission presided over a public hearing in Everett on June 29, 1992, to hear testimony on the proposed settlement. The company, Commission Staff, and Public Counsel submitted prefiled testimony on the settlement, and Mr. Twitchell of the Commission Staff, and Fred Logan and Russ Hokanson of GTE-NW presented oral testimony. While Public Counsel offered to submit himself for cross-examination, if requested by the Commission, he did not in fact testify.

The Commission scheduled an additional hearing in Olympia on August 18, 1992, to discuss amounts owed GTE-NW from the Washington Telephone Assistance Program ("WTAP"), and issues regarding the authority of the Washington division of GTE-NW to originate and implement policy decisions. Following review of the August 18, 1992 amendment to the settlement and the August 28, 1992 GTE-NW letter committing the company to a service guarantee program, the Commission entered its Second Supplemental Order.

The tariff revisions filed by GTE-NW under its Advice No. 572, Docket No. UT-921240, purporting to be a compliance filing pursuant to paragraph six of the amended settlement, proposed to reduce annual revenues by \$2,000,103. The Commission Staff contested the filing, citing paragraph six of the settlement agreement as requiring a reduction of access charges to cost. The Commission approved the filing to permit the proposed rate decreases to become effective, and ordered that a complaint be issued to determine whether further reductions were required.

The Commission's Third Supplemental Order initiating the complaint identified the issues to be investigated.³

³ "WHEREFORE, The Commission hereby enters upon a full and complete investigation of the matters and things alleged, and will enter upon public hearings for the following purposes:

1. To ascertain and determine whether the schedule of rates specified in GTE-NW's Advice No. 572 are reasonable and in compliance with the Commission's Second Supplemental Order.

2. To ascertain and determine whether the access service reductions required by the Commission's acceptance of the Settlement Agreement in this docket are to be based on costs.

3. To ascertain and determine whether the access service reductions required by the Commission's acceptance of the Settlement Agreement in this docket are limited in any way by GTE-NW's rate of return. In the event the access service reductions are limited by GTE-NW's rate of return, other hearing dates will be established by separate notice to determine GTE-NW's rate of return after restating and proforma adjustments.

4. To make and enter such other determinations and orders as may be just and reasonable, including directing GTE-NW to refund any amount of access service revenues found to be unreasonable and not in compliance with the Second Supplemental Order from the date of the service of the within complaint, and to assess penalties for any violation of Commission orders that

The parties at the February 23, 1993 prehearing conference agreed that the issues in the complaint would be developed in a two-phase process. The first phase would address issues number two and three of the Commission complaint. Based upon resolution of those two issues, further hearings might be necessary to resolve additional issues.

MEMORANDUM

I. Initial Order

The Initial Order labeled the wording of paragraph six "awkward and unclear" and concluded that the language did not state with sufficient clarity the basis upon which GTE-NW would be expected to reduce access charges in excess of two million dollars. The Initial Order noted that settlement agreements are contracts, and their construction governed by the legal principles applicable to contracts.

In an attempt to discover the intent of the parties regarding paragraph six, the Initial Order applied the "context rule" adopted by the Washington State Supreme Court.⁴ The Initial Order would hold that the explanation of Staff witness Twitchell at page 46 of the transcript "more clearly states the intent of the parties." Given this unchallenged and unrebutted

may be found by the Commission based on the record in this proceeding."

Id., p. 3.

⁴ The Initial Order cites the following language for the proposition that the intent of the parties to an agreement may be discovered by:

[V]iewing the contract as a whole, the subject matter and objective of the contract, all the circumstances surrounding the making of the contract, the subsequent acts and conduct of the parties to the contract, and the reasonableness of respective interpretations by the parties.

Berg v. Hudesman, 115 Wn.2d 657, 667, 801 P.2d 222 (1990) (quoting from Stender v. Twin City Foods, Inc., 82 Wn.2d 250, 254, 510 P.2d 221 (1973)).

Fifth Supplemental Order, Findings of Fact, Conclusions of Law and Initial Order, Docket No. UT-910499, August 17, 1993, p. 6.

assertion in open hearing, the Initial Order would hold that the parties agreed to do precisely what Mr. Twitchell alleged: To reduce access charges to cost, based upon the results of the access charge studies to be conducted by GTE-NW.

Additionally, the Initial Order would find that GTE-NW was "equitably estopped" from arguing that paragraph six did not require the company to reduce its access charges to cost.⁵ The Initial Order's analysis under the "context rule" and "equitable estoppel" would lead to a finding that GTE-NW's access charges should be reduced to cost, without regard for such action's effect on the company's rate of return.

II. Commission Review

After a thorough review of the record evidence and the pleadings in the instant proceeding, the Commission is as perplexed as ever to challenges to its Second Supplemental Order in this matter. On the one hand, the Commission finds Public Counsel and Commission Staff, parties to the original proceedings, adamant in their recollection of their discussions, negotiations, and agreements with the company. On the opposite hand, the Commission finds GTE-NW arguing with equal force that something went awry somewhere between the exchange of ideas and commitments and their translation into a formal agreement with the other parties.

The Commission is variously urged by GTE-NW to find that the company 1) is in compliance with the Second Supplemental Order; 2) is an innocent victim of some miscommunication between it and the other parties and therefore should be absolved from a bargain that it never really struck; and 3) should be relieved of its obligations now, whether or not it entered a binding agreement, by virtue of a waiver of the provisions of WAC 480-80-047, a rule only tangentially related to the issues being investigated in the instant proceeding.

The Initial Order referred to principles of contract law enunciated by the Washington State Supreme Court for guidance in resolving the controversy over the parties'

⁵ "The three elements of equitable estoppel are: (1) an admission, statement, or act inconsistent with the claim afterward asserted; (2) action by the other party on the faith of the admission, statement, or act; and (3) injury to the other party resulting from allowing the first party to contradict or repudiate the admission, statement, or act. PUD of Lewis County v. WPPSS, 104 Wn.2d 353, 363, 705 P.2d 1195 (1985)."

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interpretation of paragraph six of the settlement agreement. Whether the "context rule" or "equitable estoppel" are relevant to this dispute and are useful in identifying the intent of the parties, and thus determining the parties' obligations under the settlement agreement, is not the proper inquiry for the Commission and is beyond the scope of the Commission's complaint. See: footnote 3 supra.

The scope of this proceeding was limited at the outset to 1) whether the access charge reductions required by the Commission under the settlement agreement must be cost-based, and 2) whether these same reductions are in any way limited by GTE-NW's rate of return, and if so, what rate of return is to be applied. A thorough review of the record in the instant proceeding confirms the Commission's recollections of the explanations given by the parties for the settlement and reinforces the Commission's reasons for accepting the amended settlement as in the best interests of both shareholders and ratepayers.

The Commission disagrees that the outcome of this complaint proceeding is determined by principles of contract interpretation. The settlement became the Commission's Order when the Commission accepted the settlement and incorporated the agreement in the Second Supplemental Order. GTE-NW now seeks to attack that Order through a collateral proceeding -- not involving reconsideration or other direct review of the Second Supplemental Order -- by arguing that the Commission should now examine the subjective intentions of one party to that original proceeding. That is inappropriate: principles of collateral estoppel, not equitable estoppel, apply. The Commission will interpret its own Order incorporating the settlement agreement, determining what was presented to, what was accepted by, and what bases formed the decision of, the Commission.

A very brief and abridged recounting of events preceding entry of the Second Supplemental Order will put into perspective the Commission's acceptance of the amended settlement. On June 5, 1992, the Commission received a joint motion for approval of settlement signed by representatives of GTE-NW, Contel, Commission Staff, Public Counsel, and U S WEST. Attached to that motion was a settlement agreement executed by the same parties. Paragraph six of that agreement provides as follows:

6. REVENUE EFFECTS

The parties agree that GTE-NW and Contel-NW will implement rate restructuring and reductions (see Section 7) which will produce total revenue reductions of approximately \$9,750,000 in 1993 - \$7,750,000 for

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local services and, at least \$2,000,000 for GTE-NW's access services.⁶ (Footnote not in original.)

[The settlement was later amended resulting in an increase in revenue reductions from previously unbilled charges to the WTAP in the amount of \$252,000. The amended revenue reduction figures substituted \$10,002,000 for \$9,750,000, and \$8,002,000 for \$7,750,000; the "at least \$2,000,000" figure for access charges was unchanged.]

On June 22, 1992, the Commission received the prefiled testimony of Frederick Logan, GTE-NW; Maurice Twitchell, Commission Staff; and Charles F. Adams, Public Counsel. Each of those witnesses specifically addressed paragraph six of the proposed settlement in their testimony:

Prefiled Testimony of Frederick Logan, p. 17, l. 7:

The Agreement also provides for the filing of access tariff reductions for GTE-NW totalling at least \$2.0 million in connection with the reports required by WAC 480-80-047.⁷ (Footnote not in original.)

Prefiled Testimony of Maurice Twitchell, p. 7, l. 25:

The parties to the agreement stipulated that at least two million dollars should go to reduce access charges.

⁶ In relevant part, section 7 provides:

7. To implement the above-described revenue effects, the parties agree that the following rate level, structure and design changes should be made effective January 1, 1993, and that the Commission should approve and authorize them.

c. Tariffs for the GTE-NW access charge reductions will be filed in October 1992 with cost studies, and the WAC 480-80-047 filing requirements for July 1992 will have been satisfied through this filing. Any necessary waivers of the rule's provisions should be granted.

⁷ The rule mandates an annual "review" and, if necessary, an "update" of traffic sensitive and non-traffic sensitive carrier common line switched access tariffs; the "review" must be conducted in the manner prescribed in U-85-23. A company must report the results of its "review" by July 1, and "at the same time file such revised tariffs as it may deem to be required by its report." The filing must include complete workpapers and data sufficient for staff to analyze the report and any tariffs submitted.

And, again, at p. 8, l. 25:

GTE-NW will file studies to support the access charge filings. If these studies demonstrate that access charges should be reduced by more than two million dollars, they will make that filing. If the studies demonstrate that access charges should be reduced less than two million dollars, they will file for the two million dollar reduction.

Prefiled Statement of Public Counsel, p. 1-2:

The Settlement will result in revenue reductions of approximately \$9.75 million in 1993 - \$7.75 million for local services and at least \$2 million for GTE-NW's access services. * * * As noted in the Settlement language, the reductions for access charges will be at least \$2 million. Based upon studies to be performed by the companies, the reductions may exceed this minimum level. [Emphasis in original.]

At the June 29, 1992 public hearing in Everett on the joint settlement proposal, the Commission heard the following oral testimony specifically regarding paragraph six of the proposed settlement:

Transcript, Volume II, p. 25, l. 12 (Twitchell - Direct by Smith):

THE WITNESS: The parties to the agreement stipulated that at least two million dollars should go to reduce access charges.

P. 46, l. 8 (Twitchell - Exam by Ballash [ALJ]):

THE WITNESS: I need to clarify one thing on that very same thing:

The access charge filing which the company has filed has a tariff sheet reducing access charges to traffic sensitive by \$2 million. The company has agreed to reduce access charges by at least \$2 million.

They will provide cost studies for each of the access charge elements, and any of them that are not based on costs will be reduced. And if it's more than \$2 million, then they will file tariffs accordingly.

So, the tariffs that were filed for access charges will probably see a change.

JUDGE BALLASH: Any other questions for this witness?

MR. POTTER [GTE]: No, your honor.

This is the sum and substance of the unqualified, unchallenged, and un rebutted record evidence presented to the Commission through prefiled written testimony and oral testimony, by all parties, regarding the proposed rate design and revenue effects relating to paragraph six of the settlement agreement.⁸ The Commission entered its Second Supplemental Order accepting the proposed settlement, as amended, which was attached to the Order and incorporated by reference.

The Commission finds nowhere in the record evidence upon which the Second Supplemental Order was premised any indication that application of the terms of paragraph six had in any manner been conditioned. The Commission fully understood that the settlement agreement had been a negotiated document, intended to relieve all parties of the substantial investment of time and resources that would be required in litigating at least two proceedings related to the merger: (1) The affiliated interest agreements under this docket number; and (2) The formal petition for approval of the legal merger to be later filed.

The Commission accepted the parties' representations that the effects of the legal merger of GTE-NW and Contel had been captured "up-front." The parties were explicit in their support of the balance that had been achieved by the settlement: The company would begin to see significant financial rewards in economies of scope and scale from the merger, and ratepayers of GTE-NW and Contel would share in these benefits through rate reductions. The merger and ratepayer benefits had been timed to begin accruing simultaneously by coordinating the effective date of the legal merger and of the filed tariff reductions for January 1, 1993.

The Commission expected the company to file, in October 1992, a cost study of its switched access tariffs, in lieu of the annual July 1 report of the "review of tariffed access charges required" by WAC 480-80-047. The Commission understood the October filing was not merely a delay in the timing of the annual report, but a negotiated substitution of the procedure envisaged by the rule. The cost study to be performed by GTE-NW was to be the basis for the revised access

⁸ All parties exchanged copies of their prefiled testimony, for review and comment, prior to the formal filing of that testimony with the Commission. No challenge to the prefiled testimony of any party was presented to the Commission, either in open hearing or in post-Order pleadings.

tariffs and the support for the level of reduction in the company's revenue requirement -- a minimum reduction of \$2 million and a maximum reduction as indicated by the cost study.

There is testimony in the instant proceeding that parties found the results of the cost study "shocking." It is intimated that this universal reaction should somehow operate to nullify the benefit of the bargain for ratepayers, while permitting the company to continue to enjoy all other benefits of the bargain. The Commission has no knowledge of the level of savings which have actually accrued to the company to date as a result of the merger. The Commission finds the imbalance that would be wrought by such a one-sided rewriting of the settlement, as is now urged upon us, to be "truly shocking."

The Commission also notes the company's multiple references to a "blank check" -- assertions that the company would never have offered an unquantified revenue reduction without off-setting revenue increases. The Commission, on the other hand, would never have accepted issuing GTE-NW a blank check for the unverifiable revenue increases estimated to result from the merger through the end of this decade, without a corresponding benefit to the company's ratepayers. The Commission found the settlement acceptable and in the public interest because the witnesses' written and oral testimony convinced the Commission that the settlement provided a proper balance between shareholder and ratepayer interests.

The Commission finds most distressing, of the varied reasons put forward for relieving GTE-NW of its obligation under paragraph six, the company's insistence that lowering its access charges should be limited by the midpoint of the rate of return range provided in the settlement agreement. The Commission accepted a range of 9.75% - 10.75%, and specified the midpoint of this range, 10.25%, as the rate of return factor to be used by the company in any requisite filing after the Commission's acceptance of the settlement, as provided in paragraph eight of the settlement.⁹

The company's claim that its earnings were to be protected by a guaranteed rate of return is totally lacking in merit. This Commission does not guarantee that public service companies will achieve a specified rate of return. The Commission accepted the settlement agreement's rate of return range, with its stated return factor for future filings, but was never asked to apply a return limitation on the company's

⁹ The company was allowed to use the midpoint return factor in calculating the cost of its switched access services, in part to prevent further diminution in earnings.

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earnings, as might be affected by lowering access charges to cost. The Commission's acceptance of this return range was premised upon a mandatory review of that range as provided in paragraph eight of the settlement agreement.

The Commission requires parties to settlements of formal proceedings to appear before the Commission in open hearing session to explain the details of their agreement. The Commission and parties realize that settlement documents cannot always capture either the minutiae of implementation details or the underlying principles that demonstrate a settlement to be in the public's best interest. It is for this reason, and the Commission's commitment to open public process, that public hearings, after proper prior notice, are conducted on proposed settlement of formal Commission proceedings. The Commission expects that parties proposing to settle formal adjudicative proceedings will fully explain and support the terms of the proposed settlement; will fully represent and protect their own interests; and will fully inform the Commission of any deviations from, misrepresentations of, or changed circumstances in, the agreement reached by the parties and filed for Commission acceptance.

The Commission finds nothing in the testimony and exhibits of GTE-NW in the instant proceeding that would require a different interpretation of paragraph six of the settlement than that adopted by the Commission in the Second Supplemental Order. On the contrary, the Commission believes that the company has failed not only to put into question the bases discussed above for the Commission's acceptance of the settlement, but has availed itself of significant financial benefits as a result of the settlement while delaying for over one year the full reciprocal sharing of benefits it promised its ratepayers. The Commission will order GTE-NW to reduce its switched access charges to cost immediately and to file tariff revisions reflecting this reduction bearing, as an effective date, the date of this Order. The company's cost studies indicate that an additional reduction in access rates of \$6,695,138 will be required to lower its access charges to cost.

The Commission, by affirming the finding of the Second Supplemental Order that GTE-NW agreed unconditionally to lower access charges to cost and by ordering that GTE-NW immediately file tariff revisions to effect this revenue reduction, has in effect resolved all issues in the complaint. The Commission will therefore order that the instant proceeding, initiated by the Third Supplemental Order in this matter, be closed.

Having discussed in detail above the facts relating to relevant material matters, and having stated findings and conclusions, the Commission now states the following summary of those facts. Those portions of the preceding findings

pertaining to the Commission findings and conclusions stated below are incorporated by this reference.

FINDINGS OF FACT

1. The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications companies.

2. GTE Northwest Incorporated is engaged in the business of furnishing telecommunications services within the state of Washington, and is a public service company subject to regulation by the Washington Utilities and Transportation Commission.

3. On September 24, 1992, the Commission entered in this matter its Second Supplemental Order Accepting Amended Settlement Agreement and Affiliated Interest Agreements. The Second Supplemental Order accepted an amended settlement entered into among GTE-NW, Contel of the Northwest, Inc., Commission Staff, Public Counsel, and U S WEST Communications, Inc. Paragraph six of the amended settlement provided as follows:

The parties agree that GTE-NW and Contel-NW will implement rate restructuring and reductions (see Section 7) which will produce total revenue reductions of approximately \$9,750,000 in 1993 - \$7,750,000 for local services and, at least \$2,000,000 for GTE-NW's access services.

4. On October 29, 1992, GTE-NW, in Docket No. UT-921240, filed with the Commission under its Advice No. 572, revisions to its currently effective Tariff WN U-11. The revisions include changes to Switched Access usage rates, increases to nonrecurring charges and the addition Extended FGA Switched Transport and FGA Optional Toll Blocking. The annual revenue reduction for these access services is \$2,000,103. In its filing, GTE-NW stated that the filing makes changes to its access service tariff as outlined in the Second Supplemental Order.

5. The Commission Staff contested GTE-NW's filing in Docket No. UT-921240, alleging that paragraph six of the amended settlement required that access charges be reduced to cost.

6. In order to immediately pass through the benefits of the \$2,000,103 reduction in access charges, the Commission approved the filing in Docket No. UT-921240, and ordered that a complaint be initiated against GTE-NW to determine whether further access charge reductions were required by the Second Supplemental Order.

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7. In his prefiled testimony explaining the settlement, Commission Staff witness Twitchell stated:

GTE-NW will file studies to support the access charge filing. If these studies demonstrate that access charges should be reduced by more than two million dollars, they will make that filing. If the studies demonstrate that access charges should be reduced less than two million dollars, they will file for the two million dollar reduction.

(Exhibit T-5, p. 8-9) GTE-NW had the opportunity to review this testimony prior to its admission at hearing on June 29, 1992. The company made no objection or correction to this prefiled testimony either prior or subsequent to its being admitted at the hearing.

8. At the June 29, 1992 hearing, Mr. Twitchell requested the opportunity to further clarify paragraph six of the settlement and testified:

The access charge filing which the company has filed has a tariff sheet reducing access charges to traffic sensitive by \$2 million. The company has agreed to reduce access charges by at least \$2 million. They will provide cost studies for each of the access charge elements, and any of them that are not based on costs will be reduced. And if its more than \$2 million, then they will file tariffs accordingly.

Transcript, p. 46, l. 10. GTE-NW again made no objection and conducted no cross-examination on this statement. GTE-NW presented no witnesses in response to the statement.

CONCLUSIONS OF LAW

1. The Washington Utilities and Transportation Commission has jurisdiction over the parties and the subject matter of this proceeding.

2. The Second Supplemental Order in Docket No. UT-910499 accepted and incorporated a settlement agreement among affected parties. The Order was not the subject of a petition for reconsideration or writ of judicial review, nor was a petition for reopening or rehearing filed with the Commission by any party. The settlement agreement is thus an element of the Order and subject to interpretation by the Commission as any other element of its own orders.

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3. Paragraph six of the settlement agreement accepted by the Commission requires GTE-NW unconditionally to reduce its access charges to cost, based upon a properly documented cost of service study. The company's cost study demonstrates that access rates should be reduced by an additional \$6,695,138 to lower its access charges to cost.


ORDER

THE COMMISSION ORDERS:

1. The complaint in the instant proceeding is sustained.
2. GTE Northwest Incorporated is required to reduce its access charges to cost immediately, without limitation by its rate of return. The reduction in rates required to reduce access charges to cost is \$6,695,138.
3. The complaint in the instant proceeding is closed.

DATED at Olympia, Washington, and effective this *11th*
day of February 1994.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD HEMSTAD, Commissioner

NOTICE TO PARTIES:

This is a final order of the Commission. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-09-810, or a petition for rehearing pursuant to RCW 80.04.200 or RCW 81.04.200 and WAC 480-09-820(1).