

November 27, 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 \$60,680 after applying all the adjustments proposed by Staff and based on a Return on Equity of 10%.

Timberline has authorized GVNW to accept Staff's recommended WECA pool revenue objective of \$60,680.

Respectfully submitted,

Carsten Koldsbaek  
Consulting Manager  
GVNW Consulting, Inc

copies 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