

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET UT-060760
)	
BEAVER CREEK TELEPHONE)	ORDER 02
COMPANY, d/b/a TIMBERLINE)	
TELECOM,)	ORDER ESTABLISHING AN
)	ADJUSTED WCAP REVENUE
To Establish an Adjusted WCAP)	OBJECTIVE OF \$60,680
Revenue Objective)	EFFECTIVE JANUARY 1, 2008
.....)	

BACKGROUND

- 1 Beaver Creek Telephone Company, d/b/a Timberline Telecom (Timberline), was established in 1999 for the purpose of providing local telecommunications service to two unserved areas, Silverton and Hobart. It began providing service in the Silverton exchange last August (2006).
- 2 Because the per-customer cost of service is very high, Timberline must either charge very high rates to customers, or operate with federal and state universal service support. Timberline will begin receiving federal high-cost loop (HCL) support in January 2008.
- 3 State universal service support is generated through above-cost charges for access service provided by interexchange (IXC) carriers. Participation in the Washington Exchange Carrier Association (WECA) access pool is one form of state universal service support. The pool distributes access charge revenues from IXCs to pool members based on each company's revenue objective. Without the pool, some companies might have to charge several times the WECA terminating access charge rate.
- 4 Entry into the WECA pool is guided by the Washington Carrier Access Plan (Plan) approved by the Commission in Docket UT-971140. Timberline entered the WECA pool last year as a result of Order 01 in this proceeding, concurrent with the provision of its service.
- 5 Timberline's initial revenue objective of \$319,150 was based upon projections. The Commission set an expiration date of December 31, 2007, for the initial revenue

objective and invited Timberline to request a new revenue objective once it had actual expense and revenue information on which to base a new determination.

6 On September 18, 2007, Timberline met with Commission staff and proposed a revenue objective of \$157,526. That proposal was based on actual operations and assumed a return on investment of 10.5 percent, and a federal universal service high cost loop (HCL) support estimate for the calendar year of 2008 of \$274,916.

7 Commission staff reviewed Timberline's proposal, including workpapers and cost studies. Commission staff recommended that Timberline file a request for a lower revenue objective of \$105,436 based on downward adjustments as a result of its review. Timberline filed a new revenue objective on November 14, 2007.

8 On November 27, 2007, Timberline filed a subsequent request for a revenue objective of \$60,680.

9 The Commission has reviewed Timberline's submissions and commission staff's memo and attachments. After substantial analysis, we approve an adjusted WECA revenue objective in the amount of \$60,680.

SUMMARY FINDINGS AND CONCLUSIONS

From the foregoing, the Commission finds and concludes:

- 10 (1) The Commission has jurisdiction over Timberline and the subject matter of this proceeding.
- 11 (2) Timberline serves an area in which the revenue from end-use customers is insufficient to meet its cost of operation.

ORDER

THE COMMISSION ORDERS:

- 12 (1) The new adjusted WCAP revenue objective for Beaver Creek Telephone Company d/b/a Timberline Telecom is now set at \$60,680, to be effective January 1, 2008.

DATED at Olympia, Washington, and effective November 28, 2007.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner