

**Summary of Written Comments Draft Rules
Procedural Rules Rulemaking – A-072162
August 14, 2008**

ISSUE	INTERESTED PERSON	COMMENTS	RESPONSE
WAC 480-07-510 – Rate case filings and work papers			
Organization of rule	Public Counsel	In its Fourth set of Comments concerning the CR-102 proposed rules, Public Counsel supports the reorganization of the rule into nine distinct subsections and supports the amendment.	The language in this proposed rule is no longer at issue or disputed.
Password Protected work papers	Public Counsel	In its Fourth set of Comments concerning the CR-102 proposed rules, Public Counsel supports the language addressing the use of password protected , locked or hidden cells included in subsection (3)(c) of the proposed rule.	Based on Public Counsel’s Third set of Comments, the Commission revised WAC 480-07-510(3)(c)as follows: <i>(c) Electronic documents.</i> Parties must file <u>provide</u> all electronic files supporting their witnesses' work papers. The electronic files must be fully functional and include all formulas and linked spreadsheet files. Electronic files that support the exhibits and work papers must be submitted <u>provided</u> using logical file paths, as necessary, by witness, and using identifying file names. <u>Any party may file filing a document with locked, hidden or password protected cells may do so only if necessary to protect the confidentiality of the document. In such circumstances, that party shall provide a version to the commission that does not have locked or hidden cells, and if a cell is password protected, that party shall supply the parties the password.</u> The party shall

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			<p><u>designate that portion of the document as confidential under RCW 80.04.095, WAC 480-07-160 and/or a protective order, and –If the document is designated confidential pursuant to a protective order, the party shall provide it to any person requesting the password who has signed an appropriate confidentiality agreement. If cells are locked or password protected, a password must be provided, unless the locked or password protected cells secure the integrity of a proprietary model or proprietary calculations.</u></p> <p>The language in this proposed rule is no longer at issue or disputed.</p>
WAC 480-07-904 - Delegation			
Delegation of telecom company transfers of property	Public Counsel	<p>In its Fourth set of Comments, addressing the CR-102 proposed rules, Public Counsel notes that the language imposing limitations on applications for transfers of property under subsection (1)(1) excludes <i>de minimis</i> items. Public Counsel opposes this change and requests the Commission limit delegation to applications to approve transfers of property that have a market value of less than \$200,000 or one percent of the company’s rate base.</p>	<p>In reviewing Public Counsel’s Third set of comments, the Commission determined it was appropriate to limit the delegation of requests for authority to transfer telecommunication company property to those that are likely to be less significant. Specifically, the Commission found it appropriate to limit those requests subject to delegation consistent with the treatment of requests for authorization of transfers of property under the Commission’s approval of Qwest’s Alternative Form of Regulation, or AFOR, agreement. Consistent with those terms, the Commission modified the language, intending to limit delegation of requests for approval of telecommunications company transfers of property to property with a market value that is less than 1 percent of the company’s rate base, or \$200,000,</p>

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			<p>whichever is greater. In preparing the CR-102 proposed rules, the Commission inadvertently included the following language in WAC 480-07-904(1)(I), which seems to delegate transactions with a larger monetary amount:</p> <p>“Requests for authorization of transfers of property by telecommunications companies under WAC 480-120-379 (Transfers of property), limited to applications for the disposal of property that has a market value that exceeds either one percent of the company’s rate base, last established by Commission order, or two hundred thousand dollars, whichever is greater.”</p> <p>As this was not the intended effect of the proposal, the language should be modified to read:</p> <p>“ ... property that has a market value that exceeds does not exceed either one percent of the company’s rate base, last established by Commission order, or two hundred thousand dollars, whichever is greater.”</p>
	Verizon	<p>In comments on the CR-102 proposed rules, Verizon notes that the CR-102 proposed rules include a monetary limit for transfers of property delegated to the Executive Secretary. Verizon objects to including monetary limits as unnecessary and restrictive, asserting that the specific facts of each proposed transfer of property would determine whether the proposal was addressed at an open meeting or as a delegated item.</p> <p>Verizon notes that if the Commission chooses to include monetary limitations for delegations</p>	<p>Concerning monetary limits, the Commission finds that such limits are appropriate determining which applications for transfers of property are subject to delegation. As discussed above, the language should be modified to correct and inadvertent error in drafting to read:</p> <p>“ ... property that has a market value that exceeds does not exceed either one percent of the company’s rate base, last established by Commission order, or two hundred thousand dollars, whichever is greater.”</p> <p>Concerning the omission from the proposed delegation</p>

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		<p>of transfers of property, the wording should be changed to reflect that smaller, not larger, transactions are delegated to the Executive Secretary.</p> <p>Verizon also notes that prior drafts of this rule delegated a determination under WAC 480-143-180 that property is not necessary or useful. Verizon requests the Commission include “necessary or useful” determinations as a delegated item under this rule, as allowing the Executive Secretary to make such determinations will more efficiency and flexibility in determining whether a transfer of property is “necessary or useful to the company’s regulated business.</p>	<p>rule of determinations whether property is “necessary or useful,” the Commission modifies the proposed rule to allow delegation of the necessary and useful decision for requests for the disposal of property under WAC 480-143-180 (Disposal and determination of necessary or useful property). Under that rule, a company must seek Commission determination whether the property to be disposed is necessary or useful only if the property has a market value that exceeds the greater of .1% of the rate base last established by commission order, or \$20,000.</p> <p>The effect of Verizon’s proposal is to allow decisions on certain applications for the transfer of property and determinations of whether property to be disposed of is necessary and useful, to be delegated to the Secretary. It would not affect the requirements in WAC 480-143-120 or WAC 480-143-180 that companies file applications for Commission approval, but would allow certain applications to be decided by the Secretary, not the Commissioners.</p> <p>For this reason, the proposed language in this subsection should be modified as follows:</p> <p style="text-align: center;">(1) <u>Requests by telecommunications companies for authorization of transfers of property by telecommunications companies under WAC 480-120-379143-120 (Transfers of property) or determination under WAC 480-143-180 (Disposal and determination of necessary and useful property) that property is not necessary or useful to perform public duties and may be disposed, limited to applications for the disposal of property that has a market value that exceeds does not exceed either one</u></p>

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			<p><u>percent of the company's rate base, last established by commission order, or two hundred thousand dollars, whichever is greater.</u></p> <p>The delegation rule (WAC 480-07-904) does allow flexibility if the Secretary finds that the decision is more appropriately made by the Commissioners.</p>