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BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

6 In the Matter of the Petition of) Docket No. UT-
7)
8 VERIZON NORTHWEST INC.)
9)
10 For Waiver of WAC 480-120-071) PETITION OF WAIVER OF
11) VERIZON NORTHWEST INC.
12)
13)

14 1. This petition is brought by Verizon Northwest Inc. ("Verizon"), 1800 41st Street,
15 Everett, Washington 98201. Verizon is represented on this matter by:

16 Thomas F. Dixon
17 Assistant General Counsel - Northwest Region
18 Verizon
19 707-17th Street, #4200
20 Denver, CO 80202
21 Phone: (303)390-6206
22 Fax: (303)390-6333
23 Toll Free: 1-888-475-7218, Ext. 3

24 2. As described more fully in paragraph 3, Verizon seeks a waiver from the
25 requirements of WAC 480-120-071(2)(b) pursuant to WAC 480-120-071(7)(a). In the
26 alternative, Verizon seeks a waiver of WAC 480-120-071(3)(a) pursuant to WAC 480-120-
27 071(7)(b) and WAC 480-120-015.

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I. RELIEF REQUESTED

30 3. Pursuant to WAC 480-120-071(7)(a), Verizon petitions the Commission for a
31 waiver of, or an exemption from, the requirements of WAC 480-120-071(2)(b) with regard to
32 extending service to Scott Kieft ("Kieft" or "the applicant") in Verizon's Molson-Chesaw
33 Exchange. In the alternative, if the Commission ultimately decides that service must be extended
34 to this location, Verizon petitions the Commission pursuant to WAC 480-120-071(7)(b) and
35 WAC 480-120-015 for a waiver of WAC 480-120-071(3)(a) in order to charge the applicant the

1 direct cost to extend service. The cost to extend service to this location is estimated at
2 approximately \$100,000. It is unreasonable for Verizon and its customers to pay approximately
3 \$100,000 to extend service to one customer. In addition to the prohibitive expense of initial
4 construction, maintaining service to this location would impose substantial ongoing operational
5 difficulties and financial burdens on Verizon and its other customers.

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7 **II. STATEMENT OF FACTS**

8 4. Mr. Scott Kieft placed a service order with Verizon for residential telephone
9 service at 461 Sqove Road in Wauconda, Washington. The Kieft property is located
10 approximately 14 to 15 miles from Chesaw in a remote area in Okanogan County on a privately
11 maintained dirt road. The road is steep and narrow, rocky in some places, rutted in others.
12 Providing service would require constructing a little over two miles of new facilities, involving
13 costly problems such as a significant amount of rock-sawing, and expensive on-going
14 maintenance. The difficult terrain can be seen in the photographs provided in Attachment A.

15 5. As demonstrated from aerial photographs provided in Attachment B, the Kieft
16 location is in a remote, sparsely populated area. It is not part of a town, village or other
17 community. It is located on a private road that traverses a number of property parcels. Before
18 service could be extended to this location, Mr. Kieft would have to secure easements from the
19 property owners of these other parcels and other permits from the Washington Department of
20 Natural Resources and the United States Forest Service in order for Verizon to cross
21 governmental property with its facilities. Verizon previously received one service request from
22 Mr. Ed Bush, for service to 463 Sqove Road.¹ However, even with two applicants seeking

¹ Verizon filed for a line extension waiver for Mr. Ed Bush at 463 Sqove Road, in Docket No. UT-061298, which waiver was granted by Order 03 issued by Administrative Law Judge Dennis J. Moss in that docket that became final on August 14, 2007, in accordance with a Notice of Finality issued by the Commission's Executive Secretary.

1 service to the same area, the cost to provide service would be approximately \$50,000 per
2 applicant, an unreasonable cost to serve one customer.

3 6. As Confidential Attachment C shows, Verizon would incur estimated construction
4 costs of approximately \$100,000 to provide service to the Kieft location. Verizon would have to
5 construct approximately 12,590 feet of new facilities, and the badly maintained road would
6 present numerous costly problems. As a result of the required use of a four-wheel drive vehicle,
7 there also will be potential safety problems if and when large equipment needed to do work is
8 brought to and from the site, as well as used in the work efforts. The site also appears, by visual
9 inspection, to require a significant amount of rock sawing, which is an expensive endeavor.

10 7. Verizon would face increased expense associated with serving the Kieft location
11 because its maintenance and repair staff would have to travel greater distances and take care of
12 miles of additional network in difficult terrain and winter snow conditions (requiring use of a
13 snowmobile during winter months). Also, at such time in the future as all or part of these
14 facilities would need to be replaced, Verizon and its other ratepayers would bear the costs of
15 such replacement.

17 **III. ARGUMENT**

18 A. *The Commission should determine under WAC 480-120-071(7)(a) that Verizon is not*
19 *obligated to serve the Kieft property.*

20 8. The waiver process set forth in WAC 480-120-071(7)(a) recognizes that certain
21 requested line extensions pose unreasonable costs and burdens, and thus should not be
22 undertaken. Under WAC 480-120-071(a), the Commission may – although it is not required to –
23 rely on the factors set forth in WAC 480-120-071(b)(ii) and any other information it considers
24 necessary to analyze a proposed line extension.

25 9. Waiver is appropriate in the case of the Kieft property because of the
26 unreasonable costs and burdens associated with serving this applicant at the expense of other

1 ratepayers. It would be a serious misallocation of limited resources to force Verizon and its
2 customers to pay approximately \$100,000 (plus ongoing high maintenance costs) to provide
3 service to one or two customers. The area where the applicant has chosen for his residence is
4 isolated. Individuals such as the applicant who choose to maintain a home in a remote area do so
5 with full knowledge of whether, and at what cost, utility services or substitutes are available.
6 Such persons find ways to meet their utility needs that do not necessarily involve subsidization.
7 For instance, private power generators are common in remote areas, as are private water wells
8 and on-site sewage handling facilities.

9 10. An analysis of the factors set forth in WAC 480-120-071(b)(ii) also demonstrate
10 that service should not be extended to the Kieft location:

11 a. Total direct cost of the extension (WAC 480-120-071(b)(ii)(A)). It would
12 cost \$100,000 to extend facilities to this location. This would be an extraordinary cost to
13 impose to serve either one or two customers.

14 b. The number of customers to be served (WAC 480-120-071(b)(ii)(B)).
15 Only one potential customer is involved at present, and two at the most if Mr. Ed Bush
16 re-applied for service.

17 c. The comparative price and capabilities of radio communication service or
18 other alternatives available to customers (WAC 480-120-071(b)(ii)(C)). Based on
19 Verizon personnel's knowledge of this area, cellular service is not available at the
20 applicant's location. That knowledge was confirmed on August 7, 2007, when a Verizon
21 engineer tested cell phone service at the Kieft property using Verizon Wireless,
22 Cingular/AT&T, and UniceL services. Using a Garmin Etrex handheld GPS device, the
23 engineer was unable to obtain any cell service from these providers at the following
24 location: GPS N48 degrees 52.300; W118 degrees 54.551. Satellite telephone service is
25 also not likely available for the applicant's location. Verizon has requested that its
26 technicians conduct a satellite telephone test on Kieft property. Once the test is

1 completed, Verizon will provide those results to the Commission. The cellular and
2 satellite situation is likely to be similar for the Kieft property as it was for the Bush
3 location, given the relative proximity of the two properties. Two Verizon field
4 technicians conducted satellite and cell phone tests for the Bush location on March 9,
5 2007. These tests confirmed that without construction² the Bush property could not be
6 served using less expensive alternatives. Just as with the Bush property, Mr. Kieft would
7 likely need to install a satellite dish high enough to obtain satellite telephone service,
8 which could be a reasonable alternative. Moreover, if Messrs. Bush and Kieft installed a
9 single pole, both could obtain satellite telephone service from their respective properties.
10 A variety of satellite telephone service plans are available, with monthly fees as low as
11 \$39.95 and effective per minute charges as low as \$0.14 for calls anywhere in the U.S.
12 and Canada.³ Verizon is unaware of any other telecommunications provider in the
13 vicinity who is willing to provide service to applicant and Qwest advised previously that
14 it was unwilling to serve the Bush property, so it is unlikely it would serve the Kieft
15 property.

16 d. Technological difficulties and physical barriers presented by the requested
17 extensions (WAC 480-120-071(b)(ii)(D)). The technological and physical barriers to
18 extending and maintaining service to the Kieft location are described in Paragraphs 4-7.

19 e. The effect on the individual and communities involved (WAC 480-120-
20 071(b)(ii)(E)). The effect on the individual requesting service would not be
21 commensurate with the expense to be incurred by the ratepayers to subsidize his service.

² Verizon's technicians were unable to make any telephone calls from the portable satellite phone at the Bush location. Construction of a tower, however, might result in an angle adequate for satellite access.

³http://www.globalsatellite.us/prod_detail.aspx?Product_ID=667&Nav_ID=453 ,
http://www.daysatphones.com/voice_pricing.htm

1 Applicant's residence is not part of any community and there would be minimal, if any,
2 beneficial effect to the nearest communities by extending service to this location.

3 f. The effect on the public switched network (WAC 480-120-071(b)(ii)(F)).
4 Verizon would have to reallocate significant funds that otherwise would have been used
5 to provide maintenance, upgrades and other extensions to the public switched network for
6 more of its customers. Diverting technicians to the remote Kieft location – especially in
7 harsh weather conditions that would increase travel and work times – would prevent
8 those technicians from meeting other customers' needs.

9 g. The effect on the company (WAC 480-120-071(b)(ii)(G)). Misallocating
10 Verizon's limited capital and expense dollars would harm Verizon's overall ability to
11 serve its customers in the affected exchanges in order to add only one or two customers,
12 and the extra maintenance burdens would impact Verizon's ability to provide service to
13 its other customers.

14
15 B. *In the alternative, if the Commission determines service must be extended to the Kieft*
16 *location, it should allow Verizon to recover its direct costs of extending its service under*
17 *WAC 480-120-071(7)(b).*

18 11. For all the reasons stated in Section III.A., including the analysis of the WAC
19 480-120-071(b) factors set forth in paragraph 10a – g. above,⁴ Verizon and its ratepayers should
20 not be forced to pay for the extension of service to this applicant. However, if the Commission
21 requires Verizon to build the line extension necessary to serve the Kieft location, recovery of
22 Verizon's direct costs associated with this extension would be appropriate under WAC 480-120-
23 071(b).

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⁴ Although these factors apply to waiver requests seeking to recover direct costs under WAC 480-120-071(b), Verizon's request that this Petition also be considered under WAC 480-120-015 enables the Commission to provide for recovery of direct costs without specific findings under those factors.

1 **IV. SUMMARY**

2 It would be unreasonable for Verizon to undertake such disproportionately expensive
3 construction in light of the nominal, at best, benefit of adding only one or two customers to its
4 network. Thus, Verizon presents this case for waiver of the line extension rule in order to protect
5 its existing and future customers and employees. The facts and circumstances of the Kieft
6 request are virtually identical to the facts and circumstances of the Bush request and warrant
7 granting Verizon an exemption from, or waiver of, the WAC 480-120-071 obligation to extend
8 service to this location. If the Commission decides to require extension of service to the Kieft
9 location, then it should permit Verizon to recover the direct costs of this extension in advance
10 directly from the applicant who is causing the costs to be incurred, rather than from its other
11 ratepayers.

12 Respectfully submitted this 22nd day of August 2007.

13
14 VERIZON NORTHWEST INC.


15
16 By 

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VERIFICATION

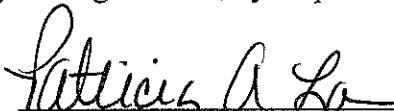
I, Isique C. Johnstone, Engineer for Verizon Northwest, Inc., have personally inspected the property located at 461 Sqove Road as well as the roads leading to the property and the nature of the conditions at or near the property. I do attest to the accuracy of the factual statements contained in the foregoing petition to the best of my knowledge and belief.



Isique C. Johnstone

Subscribed and sworn to before me this 14TH day of August 2006, by Isique C. Johnstone.





Notary Public

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I did, on the 22nd day of August 2007, send a true and exact copy of the within petition and attachments and Motion for Stay of Proceeding by U S Mail, first class postage, prepaid, addressed to:

Scott Kieft
P.O. Box 99
Wauconda, WA 98859

The following address is listed by the United States Postal Service as "Non-deliverable" and that "Mail sent to this address will be returned."

Scott Kieft
461 Sqove Road
Wauconda, WA 98859

Dated: August 22, 2007



Patti Lane