

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Rulemaking Concerning Telecommunications
Service (Line) Extensions
(WAC 480-120 and 480-123)

DOCKET NO. UT-073014

Comment Opportunity (CR 101)

INITIAL COMMENTS OF PUBLIC COUNSEL (CR-101)

September 13, 2007

I. INTRODUCTION

The Public Counsel Section of the Washington Attorney General's Office respectfully submits these comments in response to the Commission's August 14, 2007 Notice of Opportunity to File Written Comments (CR-101) in the above captioned matter.

II. COMMENTS

The threshold question before the Commission in this case is whether Washington's line extension rules need revising and, if so, what revisions should be made.

A successful change in administrative rules requires a clear understanding of the problem needing remedy. At this very initial phase of the rulemaking, however, it is not clear if or how the current rules are inconsistent with today's telecommunication environment. Public Counsel expects to review the comments of other stakeholders in response to the Notice's list of questions for a clear statement defining the problem or problems to be addressed.

The current line extension rules help implement regulated carriers' statutory obligation to serve under RCW 80.36.090 and further the goal of universal service. It is essential for economic, social, and safety reasons that carriers meet their obligation to serve and that universal

service remains the central and paramount goal of the rules. Washington's telecommunications policies, including its line extension rules, have been highly successful in preserving and advancing universal service. As the Commission announced this summer, Washington currently leads the nation in households connected to the telephone network.¹ One major impetus for creation of the current rule was to remedy service gaps in historically isolated and unserved areas. Many of these situations have been addressed, as the penetration rates reflect. However, any proposed rule change must continue this positive trend.

An additional consideration is the cost of line extensions both individual ratepayers and the general body of ratepayers. The Commission recognized this in its notice when it asked whether the current rule provides the correct balance of obligations for the cost of line extensions. As a general proposition, Public Counsel believes the current line extension rules in WAC 480-120-071 do a good job of addressing issues of cost allocation, specifically: company general obligation to extend service; company options for meeting the obligation; how service extension charges are assessed; cost recovery for service extension; extension to neighboring exchanges; extension to developments; and, when the obligation will be waived. In sum, the rules contain a carefully developed and detailed framework for dealing with lines extension issues, while also allowing for the reasonable exercise of the Commission's discretion in dealing with the numerous factual variations that arise.

One area for possible revision in the rules is within the waiver provision. The waiver provision provides comprehensive factors to guide the Commission in its determination of whether a waiver is justified. WAC 480-120-071(7)(b)(ii)(A-G). One issue for this rulemaking

¹ WUTC Press Release, July 3, 2007, www.wutc.wa.gov/webimage.nsf/0/99374C795B6715358825730D0079889F

is whether a burdensome number of waivers are being requested and whether additional criteria need to be added to the list in the rule to aid the Commission and companies in deciding when there is no obligation to extend service.

III. CONCLUSION

Public Counsel will actively participate in the Commission's examination of the current rule to determine if it should be revised. In future rounds, Public Counsel looks forward to reviewing and responding to comments from other parties identifying problems with the current balance that the rules establish. Specifically, Public Counsel would be interested in seeing examples and statistical information about line extensions costs, the demographics of the residences being served by line extensions, and any reasons why line extension applications can not be managed under the current rule.