

Agenda Date: April 26, 2006
Item Number: A1

Docket: UT-060369
Company Name: CenturyTel of Washington, Inc., d/b/a CenturyTel
Staff: Tim Zawislak, Regulatory Analyst
Bob Williamson, Utilities Engineer

Recommendation

Issue an order granting CenturyTel's petition for waiver in Docket UT-060369.

Discussion

On March 8, 2006, CenturyTel of Washington, Inc., d/b/a CenturyTel (CenturyTel) submitted petition for waiver of the commission's extension of service rule¹ for a potential new customer in the company's Nespelem exchange near the Columbia River directly north of Qwest's Coulee Dam exchange.

Subsection (2)(a) of the rule requires that, "[s]ervice extensions must be completed within eighteen months after a request is made and the customer makes the initial payment." Subsection (2)(b) also generally requires that, "service is required to occupied premises." However, the commission may determine whether any applicant for service is not reasonably entitled to service and whether the local exchange company is not obligated to provide service to an applicant. Such a determination may be made if the cost of the service extension is found to be unreasonable.

CenturyTel's petition for waiver identifies a single applicant (and one other potential customer along the route) and explains the reasons and justification for its request to deny service in this high cost area.

The applicant has been provided with a copy of the petition and a letter has been sent informing them of an opportunity to participate in this process.

Scope of Consideration

The commission may consider the following factors (among others) in determining whether granting an exemption is consistent with the public interest under the rule:

- (A) The total direct cost of the extension;
- (B) The number of customers to be served;

¹ WAC 480-120-071, "Extension of Service." (Order R-474, Docket No. UT-991737), filed 12/5/00, effective 1/15/01.

- (C) The comparative price and capabilities of radio communication service or other alternatives available to customers;
- (D) Technological difficulties and physical barriers presented by the requested extensions;
- (E) The effect on the individuals and communities involved;
- (F) The effect on the public switched network; and
- (G) The effect on the company.

Analysis

The company's petition satisfactorily addresses most of the factors listed above.

The commission staff agrees with CenturyTel's evidence about terrain, equipment, work needed, and the resulting exceptionally high cost to provide service in this case.

In addition, an analysis of reasonable entitlement, through a comparison of the current petition with other relevant cases, is provided below:

	Verizon in UT-011439		CenturyTel Allowed in UT-060222 <i>Maximum Location</i>	Current Petition
	Denied Timm Ranch	Denied Taylor Location		
Total Cost	\$881,497	\$329,839	\$144,131	\$301,040
Cost per customer	\$176,299	\$110,000	\$72,065	\$150,520
Cost per mile	\$29,383	\$19,402	\$26,016	\$57,670

Conclusion

Because the service extension at issue is too expensive on a per customer basis (given the service extensions denied in Docket UT-011439) the commission should issue an order granting CenturyTel's petition for waiver in Docket UT-060369.