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BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of) Docket No. UT-
VERIZON NORTHWEST INC.)
For Waiver of WAC 480-120-071) PETITION OF WAIVER OF
VERIZON NORTHWEST INC.

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

Thomas F. Dixon
Assistant General Counsel - Northwest Region
Verizon
707 - 17th Street, #4200
Denver, Colorado 80202
Phone: (303)390-6206
Fax: (303)390-6333

2. As described more fully in paragraph 3, Verizon seeks a waiver from the requirements of WAC 480-120-071(2)(b) pursuant to WAC 480-120-071(7)(a). In the alternative, Verizon seeks a waiver of WAC 480-120-071(3)(a) pursuant to WAC 480-120-071(7)(b) and WAC 480-120-015. This petition relates to a request for service from Verizon made by Lisa and Steve Cole.

I. RELIEF REQUESTED

3. Pursuant to WAC 480-120-071(7)(a), Verizon petitions the Commission for a waiver of, or an exemption from, the requirements of WAC 480-120-071(2)(b) with regard to extending service to Lisa and Steve Cole (hereafter "Cole" or "Applicants") in Verizon's Molson Exchange. In the alternative, if the Commission ultimately decides that service must be extended to the Cole location, Verizon petitions the Commission pursuant to WAC 480-120-071(7)(b) and WAC 480-120-015 for a waiver of WAC 480-120-071(3)(a) in order to charge the applicant the direct cost to extend service. The estimated cost to extend service to the Cole location is

1 estimated at \$25,929. It is unreasonable for Verizon and its customers to pay nearly \$26,000 to
2 extend service to one customer. In addition to the prohibitive expense of initial construction,
3 maintaining service to the Cole location would impose substantial ongoing operational
4 difficulties and financial burdens on Verizon and its other customers.

5 **II. STATEMENT OF FACTS**

6 4. Cole placed a service order with Verizon for residential telephone service at 75
7 Showshoe Road, Oroville, Washington. The requested service location is approximately one
8 mile from Molson in Verizon's Molson Exchange. The property is 4,195 feet from the closest
9 existing Verizon facilities. Snowshoe Road is a private dirt road. No governmental agency
10 plows snow from any part of the road from the end of the county section of Mary Ann Creek
11 Road into the applicant's property or any of the other property along the road leading to the
12 applicant's property. In addition, applicant's address is listed by the United States Postal Service
13 as: "The address was not found."

14 5. As demonstrated from the map and aerial photograph provided in Attachment A,
15 the Cole location is in a remote, sparsely populated area. It is not part of a town, village or other
16 community. There are several other residential structures along the route or in the vicinity of the
17 Cole location.

18 6. As Confidential Attachment B shows, Verizon would incur estimated construction
19 costs of \$25,929 to provide service to the Cole location. Verizon would have to construct
20 approximately 4,195 feet of new facilities, and may encounter other technical difficulties such as
21 rock sawing along the route, however, Verizon cannot state at this time whether rock sawing is
22 likely.

23 7. Verizon would face increased expense associated with serving the Cole location
24 because its maintenance and repair staff would have to travel greater distances and maintain
25 miles of additional network winter snow conditions (requiring use of four wheel drive vehicles

1 and snowmobiles during winter months). Also, at such time in the future as all or part of these
2 facilities would need to be replaced, Verizon and its other ratepayers would bear the costs.
3

4 **III. ARGUMENT**

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

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

12 9. Waiver is appropriate in the case of the Cole property because of the unreasonable
13 costs and burdens associated with serving this applicant at the expense of other ratepayers. It
14 would be a serious misallocation of limited resources to force Verizon and its customers to pay
15 approximately \$25,929 (plus ongoing high maintenance costs) to provide service to one
16 customer. The area where the Coles have chosen for their residence is isolated. Individuals such
17 as the Coles who choose to maintain a home in a remote area do so with full knowledge of
18 whether, and at what cost, utility services or substitutes are available. Such persons find ways to
19 meet their utility needs that do not necessarily involve subsidization. For instance, private power
20 generators are common in remote areas, as are private water wells and on-site sewage handling
21 facilities.

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

24 a. Total direct cost of the extension (WAC 480-120-071(b)(ii)(A)). It would
25 cost \$25,929 to extend facilities to this location. This would be an extraordinary cost to
26 impose to serve one customer.

1 b. The number of customers to be served (WAC 480-120-071(b)(ii)(B)).
2 Only one potential customer is involved.

3 c. The comparative price and capabilities of radio communication service or
4 other alternatives available to customers (WAC 480-120-071(b)(ii)(C)). Based on
5 Verizon personnel's knowledge of this area, cellular service is not available at the Cole
6 location. Verizon also does not know that satellite telephone service is available for the
7 Cole location. However, satellite telephone service is generally available in the area. A
8 variety of satellite telephone service plans are available, with monthly fees as low as
9 \$39.95 and effective per minute charges as low as \$0.14 for calls anywhere in the U.S.
10 and Canada.¹ Finally, Verizon spoke with a Qwest representative and determined that it
11 does not want to extend service to applicant. Verizon is unaware of any other
12 telecommunications provider in the vicinity who is willing to provide service to
13 applicant.

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

17 e. The effect on the individual and communities involved (WAC 480-120-
18 071(b)(ii)(E)). The effect on the individual requesting service would not be
19 commensurate with the expense to be incurred by the ratepayers to subsidize her service.
20 Applicant's future residence is not part of any community and there would be minimal, if
21 any, beneficial effect to the nearest communities by extending service to this location.

22 f. The effect on the public switched network (WAC 480-120-071(b)(ii)(F)).
23 Verizon would have to reallocate significant funds that otherwise would have been used
24 to provide maintenance, upgrades and other extensions to the public switched network for

¹http://www.globalsatellite.us/prod_detail.aspx?Product_ID=667&Nav_ID=453 ,
http://www.daysatphones.com/voice_pricing.htm

1 more of its customers. Diverting technicians to the remote Cole location – especially in
2 harsh weather conditions that would increase travel and work times – would prevent
3 those technicians from meeting other customers’ needs.

4 g. The effect on the company (WAC 480-120-071(b)(ii)(G)). Misallocating
5 Verizon’s limited capital and expense dollars would harm Verizon’s overall ability to
6 serve its customers in the affected exchanges in order to add only one customer, and the
7 extra maintenance burdens would impact Verizon’s ability to provide service to its other
8 customers.

9
10 B. *In the alternative, if the Commission determines service must be extended to the Cole*
11 *location, it should allow Verizon to recover its direct costs of extending its service under*
12 *WAC 480-120-071(7)(b).*

13 11. For all the reasons stated in Section III.A., including the analysis of the WAC
14 480-120-071(b) factors set forth in paragraph 10a – g. above,² Verizon and its ratepayers should
15 not be forced to pay for the extension of service to this applicant. However, if the Commission
16 requires Verizon to build the line extension necessary to serve the Cole location, recovery of
17 Verizon’s direct costs associated with this extension would be appropriate under WAC 480-120-
18 071(b).

19 IV. SUMMARY

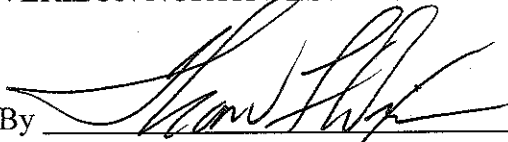
20 It would be unreasonable for Verizon to undertake such disproportionately expensive
21 construction in light of the nominal, at best, benefit of adding only one customer to its network.
22 Thus, Verizon presents this case for waiver of the line extension rule in order to protect its
23 existing and future customers and employees. The facts and circumstances of the Cole request
24 warrant granting Verizon an exemption from, or waiver of, the WAC 480-120-071 obligation to
25 extend service to this location. If the Commission decides to require extension of service to the

² 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 Cole location, then it should permit Verizon to recover the direct costs of this extension in
2 advance directly from the applicant who is causing the costs to be incurred, rather than from its
3 other ratepayers.

4 Respectfully submitted this 27th day of December, 2006.

6 VERIZON NORTHWEST INC.

7
8 By 

9 Thomas F. Dixon, Assistant General Counsel
10 Northwest Region
11 Verizon
12 707 – 17th Street, #4200
13 Denver, Colorado 80202
14 (303) 390-6206
15 888-475 7218, ext. 3 (toll free)
16 thomas.f.dixon@verizon.com
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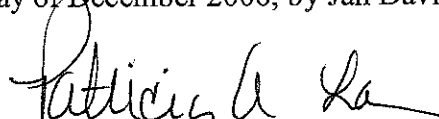
VERIFICATION

I, Jan Davies, Engineer for Verizon Northwest, Inc., have personally inspected the property located at 75 Showshoe 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 contain in the foregoing petition to the best of my knowledge and belief.



Jan Davies

Subscribed and sworn to before me this 27th day of December 2006, by Jan Davies.



Notary Public



CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I did on the 27th day of December, 2006, send a true and exact copy of the within petition and attachments by U S Mail, first class postage, prepaid, addressed to:

Lisa and Steve Cole
P.O. Box 9741
Covington, WA 98042

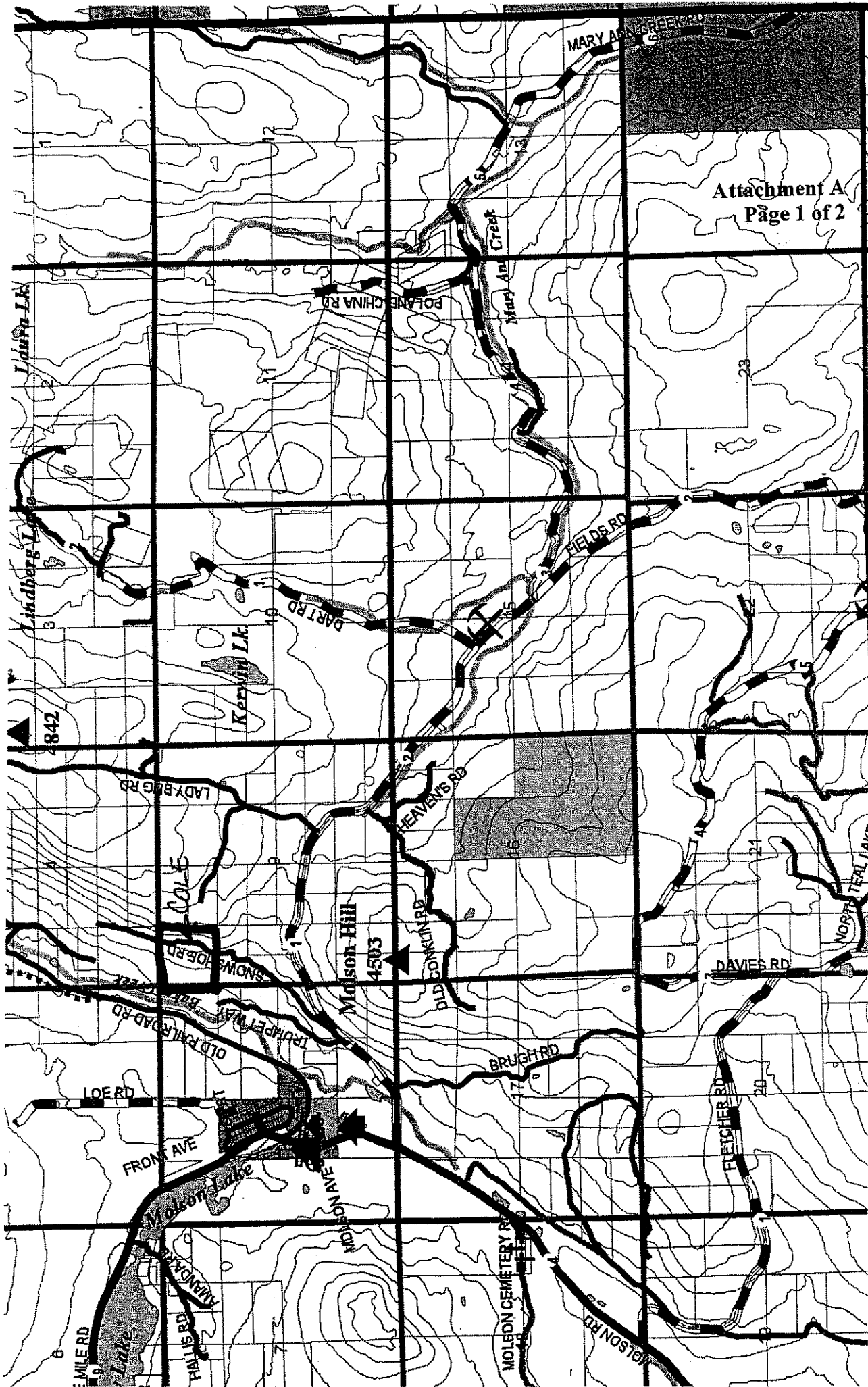
The following address is listed by the United States Postal Service "The address was not found."

Lisa and Steve Cole
75 Showshoe Road
Oroville, Washington

Dated: December 27, 2006



Patti Lane



Attachment A
Page 1 of 2

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Estimator Report

Budget View: Estimate Jur: WN WC: 6706 WO: 9P001XX CTL:
Title: LINE EXT 75 SNOWSHOE RD SVC FOR COLE

Estimator Summary

Total

Material 2
 6
 X
 Total

Engineering Labor 2
 6
 X
 Total

Placing Labor 2
 VZ 6
 X
 Total

Splicing Labor 2
 VZ 6
 X
 Total

Direct Inp Dollars 2
 6
 X
 Total

Total Est 2 Account: 25929.56
Total Est 6 Account: 0.00
Total Est X Account: 0.00
Total Est IDC Charges: 0.00
Total Estimate: 25929.56

REDACTED VERSION -

Confidential per WAC 480-07-160