September 13, 2000

Carole Washburn
Executive Secretary
Washington Utilities and
Transportation Commission
1300 South Evergreen Park Drive SW
PO Box 47250
Olympia, WA 98504-7250

RE: Docket No. UT-991737 – In the Matter of Rulemaking Concerning Line Extension Tariffs – Comments of CenturyTel

Dear Ms. Washburn:

This letter conveys the comments of CenturyTel of Washington, Inc., CenturyTel of Inter Island, Inc., and CenturyTel of Cowiche, Inc. (collectively, "CenturyTel") in Docket No. UT-991737. Pursuant to the most recent notice of opportunity to submit written comments, I am submitting ten copies of these comments, a computer disk containing the comments and will also submit the comments via e-mail.

CenturyTel has watched closely and remained very active in the long and involved evolution of the proposed rule addressing line extensions. CenturyTel has channeled most of its concerns and comments through the written comments previously submitted by the Washington Independent Telephone Association ("WITA"). CenturyTel concurs in all of WITA's comments submitted throughout this proceeding, including those submitted in response to this latest request for written comments. CenturyTel submits these comments in order to supplement and expand upon some of the thoughts and concerns raised in the WITA comments, doing so from a strictly CenturyTel perspective.

One area where CenturyTel would suggest a need for clarification of the proposed rule is at section (4) (a). CenturyTel is concerned that the latest iteration of the language has left unstated a very fundamental aspect of the intended cost recovery mechanism. The current version of the language states:

(4) (a) – A company with a terminating access tariff under WAC 480-120-540 and a service-extension tariff imposing fees or charges under subsection (3) of this section may file tariffs to include a service-extension element ...

Unstated in the language is the specific intention that the "service-extension element" should take the form of an additive to the terminating access charges. The current version of the language merely states, as a prerequisite to including a service-extension element, that the company must have a terminating access tariff <u>and</u> a service extension tariff imposing fees under subsection (3). It is clear that existence of a terminating access tariff is one of two prerequisites for authorization of a "service-extension element." However, it does not necessarily follow, without being stated, that the "service-extension element" must take the form of an additive to terminating access charges.

CenturyTel does not necessarily object to increased latitude in having the discretion to propose applying the service-extension element to something other than terminating access charges. However, CenturyTel does not feel this would be consistent with the understanding of what was being proposed throughout these proceedings and would only lead to confusion and controversy.

CenturyTel's primary concern with the proposed rule is in the matter of excluding from the rule, extensions to

developments. CenturyTel is very much in agreement with the policy stated at subsection (4). That language states:

The cost of extensions to developments should be borne by those who gain economic advantages from development and not by ratepayers in general. This policy promotes the economic good of having telephone infrastructure placed at the same time as other infrastructure is constructed as a part of development.

However, the remainder of subsection (6) then attempts to identify developments that are specifically excluded from the rule and therefore, conversely, those that by default would be included within the rule. The end result is a very convoluted and confusing laundry list where some subdivisions are in, and some are out; some mobile home parks are in and some are out; some campgrounds are in and some are out; etc. The list is so con-voluted and confusing that it defeats the very purpose and policy stated earlier in the rule.

The point in time when a development makes or made various filings, and which particular statute a development proceeds under, does not, and should not affect the Commission's basic policy that the developer and not the general body of ratepayers should bear the cost of line extension. Therefore the proposed rule's reliance on the timing of various subdivision filings and the particular statutes applicable to the development in other contexts is entirely misplaced and is inconsistent with stated policy and purpose.

CenturyTel submits that the best way to further the state policy and purpose would be to simplify the rule. Therefore CenturyTel supports language similar to that offered in the comments of WITA and would propose consideration of the following:

The cost of extensions to developments, other than the short platting of a single lot, should be borne by those who gain economic advantage from development and not by rate payers in general. This policy will promote the placement of telephone infrastructure at the same time as other infrastructure constructed as part of a development. Accordingly, this rule does not apply to extensions to serve developments, other than the short plat of a single lot. In this subsection, the term development includes, but is not limited to, subdivisions, mobile home parks, condominiums, timeshares, marinas, and camping resorts.

CenturyTel has operated for years with a tariff provision that provides for line
extensions to subdivisions to be made on the basis of a special contract, based upon actual costs, between the Company and the developer (WN U-1, Schedule 13). This tariff provision has been successfully administered in a manner that has assured that the party gaining economic advantage from the development and not the general ratepayers have paid for the extension. The suggested simplified language for subsection (6) would allow CenturyTel and other companies to continue with this approach, which has proven to be consistent with the stated policy and purpose of the rule. CenturyTel is concerned that the more complicated and convoluted language in the proposed rule as drafted would actually be a step backwards. Because the language is so complicated and confusing there is a danger that developers will find opportunities to escape their rightful obligations at the expense of the general ratepayer.

If the Commission does choose to retain the proposed language in subsection (6), CenturyTel would point out that there is an inconsistency. The lead-in language states that the rule does not apply to the entire list of developments (i.e. (a) through (n)). However, the concluding language of the subsection states subsection (4) does not apply to (a) through (l) with no mention of (m) and (n).

Thank you for your consideration of these comments.

Sincerely,

Calvin K. Simshaw
Vice President – Associate
General Counsel