

Thomas F. Dixon  
Assistant General Counsel - Northwest Region



707 17th Street, Floor 40  
Denver, CO 80202

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November 12, 2008

David W. Danner  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

RECEIVED  
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OFFICE OF WASHINGTON UTILITIES AND TRANSPORTATION

**Re: Your letter dated November 4, 2008, on Petitions for Waiver of WAC 480-120-071: Docket Nos. UT-061925 (O'Keefe); UT-061926 (Cole); UT-071737 (Kieft); and UT-080363 (Ozura)**

Dear Mr. Danner:

Attached for your information are copies of letters sent the four applicants in the above-referenced dockets on November 12, 2008. These letters advise them of their legal rights and obligations under the new extension of service rule (WAC 480-120-071), and were sent in response to your letter to me dated November 4, 2008. I also provided each applicant with a copy of your letter and an application form.

If you have any questions, please feel free to call me.

Sincerely,

A handwritten signature in cursive script that reads "Thomas F. Dixon".

Thomas F. Dixon

TFD:pl

Enclosures

Thomas F. Dixon  
Assistant General Counsel - Northwest Region



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Denver, CO 80202

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November 12, 2008

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

**Re: *Petition of Waiver of Verizon Northwest Inc.  
Washington Transportation and Utilities Commission  
Docket No. UT-061926.***

Dear Mr. and Mrs. Cole:

On October 4, 2008, the Washington Utilities and Transportation Commission ("WUTC" or "Commission") adopted a new rule governing extensions of service by telecommunications companies. The new rule applies to the Petition of Waiver of Verizon Northwest Inc. ("Verizon") relating to your request for service that has been pending at the Commission since December 28, 2007.

Under the former WAC 480-120-071, a telecommunications company was required to provide the extension requested, regardless of the distance, at a charge of no more than twenty times the basic monthly service rate. However, companies could petition the Commission (1) for a determination that the customer was not reasonably entitled to service, or (2) for a determination that it was unreasonable for the cost of the extension to be borne by the access charge cost recovery method, and therefore requiring the customer to pay the direct cost. This provision was the basis for the Petition of Waiver filed by Verizon under the former rule because your request for service required an extension of service of approximately 4,195 feet at an estimated cost of approximately \$25,929.

Under the new WAC 480-120-071, by contrast, Verizon may charge the customer its actual cost of extending service beyond an allowance of one thousand feet. Thus, under the new rule, although Verizon would construct the first one thousand feet for your extension of services at its expense, you would be responsible for actual costs incurred by Verizon for the remaining distance of approximately 3,195 feet, which Verizon estimates to be \$19,748. This amount would have to be paid in advance of any construction by Verizon of any portion of your line extension.

There are two types of facilities that may be needed to complete your request for service. The first, "distribution facilities," are the facilities used to extend service along public and private

rights-of-way to your property line that connect to Verizon's closest common facility. The second, "drop facilities," include the cable and pedestal(s) that are placed from your property line to the premises to be served; these connect the distribution facilities to the residence. Under the rules and regulations of the Commission, Verizon determines the path for placement of drop facilities and provides the required cable facilities and pedestal(s), while you must provide any required trench, conduit or poles (know as "support structure") on your property.

If you were to go ahead with construction of this line extension under the new rule and a subsequent applicant seeks service within five years of your order that would be provided using your requested extension of service, the subsequent applicant would pay a proportionate share of the original extension of service charges. The amount paid by any such subsequent applicant during that five year period would be refunded proportionately to you for the actual costs you paid to Verizon to construct your line extension.

Under the new rule, applications are considered received and an "Order Date" established when an applicant has: (i) complied with rules and regulations of the Commission; (ii) submitted a completed application for service extension; (iii) paid any estimated service extension charges; and (iv) placed any support structure required by Verizon for placement of facilities on your property.

If you were to go ahead with construction of this line extension under the new rule, Verizon would provide you with detailed accounting of construction costs actually incurred at the time of completion. You would be refunded any amount overpaid at the beginning of the process, and you could be charged for any reasonably incurred costs exceeding the original estimate -- but only up to an amount equaling ten percent of the original estimate. Payment of any such additional costs would be required before telephone service would be provided.

Enclosed please find an application that is provided in accordance with the new rules and Verizon's tariffs. Additional information regarding applications for extensions of service can be found in Verizon's General Local and Exchange Tariff, WN U-17, Section 2.C.13 and at the Commission's website at <http://apps.leg.wa.gov/wac/default.aspx?Cite=480>.

**Please advise me in writing by November 27, 2008 whether you wish to continue with your request for an extension of service under the new rule. If I do not hear from you by November 27, 2008, Verizon will treat your request for an extension of service as withdrawn.**

For your convenience, I have attached a copy of a letter Verizon received from David W. Danner, Executive Director and Secretary of the Commission, explaining legal rights and obligations under the former and new rules.

Steve and Lisa Cole  
November 12, 2008  
Page 3

If you have any questions, please feel free to call me at my toll free telephone number of 1-888-475-7218, Ext. 3.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas F. Dixon". The signature is written in dark ink and is positioned above the printed name.

Thomas F. Dixon



SERVICE DATE

NOV 04 2008

STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 586-8203

November 4, 2008

Thomas F. Dixon, Assistant General Counsel  
Northwest Region  
Verizon Northwest, Inc.  
707 17<sup>th</sup> Street, #4200  
Denver, Colorado 80202

RE: Petitions for Waiver of WAC 480-120-071 Extension of service

Dear Mr. Dixon:

On October 4, 2008, the Washington Utilities and Transportation Commission adopted a new rule governing line extensions by telecommunications companies. The new rule applies back in time to requests for extension of telephone service made prior to the adoption of the new rule if the company had not completed or accepted the request. Thus, the new rule applies to requests for line extensions for which companies had exemption petitions pending on October 4, 2008. Verizon Northwest, Inc. has five such petitions pending—UT-061925, UT-061926, UT-071737, UT-080243, and UT-080363.

Under the old WAC 480-120-071, the company was required to provide the extension requested, regardless of the distance, at a charge of no more than twenty times the basic monthly service rate. However, companies could petition the commission (1) for a determination that the customer was not reasonably entitled to service, or (2) for a determination that it was unreasonable for the cost of the extension to be borne by the access charge cost recovery method, and therefore requiring the customer to pay the direct cost. This provision was the basis for your petition in this docket.

Under the new WAC 480-120-071, by contrast, the company may charge the customer the company's actual cost of extending service beyond an allowance of one thousand feet. Although the company is not ordinarily entitled to charge the person requesting the line extension for the cost of the first one thousand feet, the company may petition the commission for a finding that the cost of the first thousand feet is extraordinary and therefore should be borne partly by the customer (in addition to any cost of extending beyond one thousand feet).

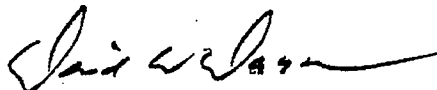


November 4, 2008  
Verizon Northwest Inc.  
Page 2

Given that the legal rights and obligations of the parties to these pending exemption petitions have changed, you may choose to withdraw your petitions, advise the parties who requested the line extensions of the new terms and conditions applicable to their requests, and if the requesting party still wishes to apply for a line extension, process that application according to the new rule. If for any reason you do not wish to withdraw your petition, we ask that you advise us of that so that we may schedule a prehearing conference. If we have not received notification that you wish to proceed with your petition by December 1, 2008, we will dismiss your petition without prejudice.

For further information, or if you have any questions, please contact Sharyn Bate by e-mail [sbate@utc.wa.gov](mailto:sbate@utc.wa.gov) or telephone (360) 664-1295.

Sincerely,



David W. Danner  
Executive Director and Secretary

**APPLICATION FOR EXTENSION OF FACILITIES TO PROVIDE  
RESIDENTIAL BASIC LOCAL EXCHANGE SERVICE  
VERIZON NORTHWEST INC.  
STATE OF WASHINGTON**

**DATE:** \_\_\_\_\_

**APPLICANT NAME:** \_\_\_\_\_

**ADDRESS WHERE  
SERVICE IS REQUESTED:**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ARE YOU REQUESTING AN EXTENSION  
OF FACILITIES IN ORDER TO  
RECEIVE BASIC LOCAL EXCHANGE  
TELEPHONE SERVICE?      \_\_\_\_\_ Yes      \_\_\_\_\_ No**

**IF "NO," DESCRIBE WHAT OTHER  
SERVICE(S) YOU DESIRE TO  
RECEIVE AT THIS LOCATION.** \_\_\_\_\_

**IS THERE AN EXISTING  
RESIDENTIAL BUILDING AT  
THIS LOCATION?      \_\_\_\_\_ Yes      \_\_\_\_\_ No**

**IF "YES," DESCRIBE IT.** \_\_\_\_\_

**IF "NO," EXPLAIN WHY YOU ARE  
APPLYING FOR SERVICE EXTENSION  
AT THIS TIME.** \_\_\_\_\_

**APPLICANT'S CURRENT MAILING  
ADDRESS IN ORDER TO RECEIVE  
CORRESPONDENCE ABOUT THIS  
APPLICATION:**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CURRENT TELEPHONE NUMBER  
WHERE YOU CAN BE CONTACTED:** \_\_\_\_\_

**ALTERNATE TELEPHONE NUMBER  
WHERE YOU CAN BE CONTACTED:** \_\_\_\_\_

**WILL U. S. POSTAL SERVICE  
DELIVER MAIL TO NEW SERVICE  
ADDRESS?**                     Yes     No

**IS THIS APPLICATION FOR  
EXTENSION OF FACILITIES TO  
A DEVELOPMENT<sup>1</sup>?**                     Yes     No

**IF "YES," EXPLAIN AND DESCRIBE  
THE DEVELOPMENT.** \_\_\_\_\_

**IS THIS APPLICATION FOR  
TEMPORARY SERVICE?**                     Yes     No

**IF "YES," EXPLAIN THE REASON  
FOR THE TEMPORARY NATURE  
OF THE SERVICE,** \_\_\_\_\_

**By signing this application within 30 days of receipt of this application, the  
APPLICANT authorizes Verizon to develop a written quotation for the estimated  
cost of constructing the extension of service requested and authorizes Verizon to  
conduct a site visit if necessary to prepare the estimate.**

**APPLICANT SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

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<sup>1</sup> "Development" means land which is divided or is proposed to be divided for the purpose of disposition into four or more lots, parcels, or units.