

AMENDATORY SECTION (Amending Order R-25, filed 5/5/71)

WAC 480-120-071 ((Line extension policy.)) **Extension of service.**
((All utilities shall have on file as part of their established tariff, a line extension schedule stating the terms and conditions under which extensions of its lines and services will be made to render service to applicants.)) (1) **Definitions.** The following definitions apply to this section unless the context clearly indicates otherwise:

"Basic monthly service rate" means the rate for nonmeasured service for the lowest-priced class of service ordered by the applicant.

"Binding site plan" has the same meaning as "binding site plan" in RCW 58.17.020.

"Constructed" means a residential building that has been approved for occupancy by the appropriate local government agency.

"Cost justification" means such cost and engineering information as the commission may request.

"Cost of service extension" means the direct and indirect costs of the material and labor to plan and construct the facilities including, but not limited to, drop wire, permitting fees, rights-of-way fees, and payments to subcontractors, and does not include the cost of reinforcement, network upgrade, or similar costs.

"Development" has the same meaning as "development" and "developed lands" in RCW 58.19.020.

"Distribution plant" means telephone equipment and facilities necessary to provide service to a premises, but does not include drop wire.

"Drop wire" means company-supplied wire and pedestals to be placed between a premise and the company distribution plant at the applicant's property line. For drop wire installed after the effective date of this section, a drop wire must be sufficient in capacity to allow the provisioning of three individual basic exchange voice-grade access lines.

"Extension of service" means an extension of company distribution plant to a location that is outside any municipal boundary and where no distribution plant of the extending company exists at the time an extension is requested, that is constructed at the request of one or more applicants for service who pay a charge under this section, and that extends more than 1/10 mile. Extensions of service do not include customer trenches, conduits or other support structure for placement of company-provided facilities from the customer property line to the premises to be served.

"Filed" means the approved plat, short plat, binding site plan or other similar approved instrument filed for record with a county auditor and authorizing development activity.

"Lot" has the same meaning as "lot" in RCW 58.17.020.

"Marina" has the same meaning as "marina" in RCW 88.12.010.

"Mobile home lot," "mobile home park," "mobile home park cooperative," and "mobile home park subdivision" have the same meanings as "mobile home lot," "mobile home park," "mobile home park cooperative," and "mobile home park subdivision" have in RCW 59.20.030.

"Neighboring exchange" means an exchange bordering on any other exchange.

"Premises" means any structure that is used as a residence, including farm houses, but does not include predominantly commercial or industrial structures.

"Radio communications service company" has the meaning contained in RCW

80.04.010.

"Residential buildings" has the same meaning as "residential buildings" in RCW 58.19.020.

"Short subdivision" has the same meaning as "short subdivision" in RCW 58.17.020.

"Subdivision" has the same meaning as "subdivision" in RCW 58.17.020.

"Temporary occupancy" means occupancy definitely known to be for less than one year but does not include intermittent or seasonal use when such intermittent or seasonal use will occur in more than a one-year period.

"Temporary service" means service definitely known to be for a short period of time, such as service provided for sales campaigns, athletic contests, conventions, fairs, circuses, and similar events.

(2) Extensions of service.

(a) Each company required to file tariffs under RCW 80.36.100 must have on file an extension of service tariff and must extend service consistent with its tariff and this section and provide drop wire for customer use. Service extensions must be completed within eighteen months after a request is made and the customer makes the initial payment, unless the commission extends the time on a showing of good cause.

(b) Extension of service is required to occupied premises unless the company demonstrates occupancy is temporary. In the case of new construction commenced after the effective date of this section, extension of service is required only if the applicant has permission to build from the applicable local government and the need for service is not temporary.

(c) Any company required to extend service under this section may do so by extending distribution plant or by making a service and financial agreement with a radio communications service company or other alternative provider to provide service. The services provided through a radio communications service company or other alternative provider must be reasonably comparable services at reasonably comparable prices compared to services provided through wireline distribution facilities in the area of the exchange where service has been requested. In addition, the services must include all elements of basic service defined in RCW 80.36.600. A company extending service through a service agreement with a radio communications service company or other alternative provider may file a tariff as permitted under subsection (4) of this section to recover the lesser of the actual direct cost to extend the service through the cooperative agreement or the direct cost of extending wireline distribution plant.

(3) Service extension charge to applicants.

(a) For service provided under subsection (2) of this section, companies must submit a tariff that sets the level of an initial fee and per-month fee for any applicant requesting an extension of service. The tariff may also impose such fees upon applicants for new service from a service extension that is less than five years old measured from the date of the initial service provided by the extension. The charge to applicants for service extensions must include an initial payment to process the order. The maximum initial payment to process the order is an amount equal to twenty times the customer's basic monthly service rate exclusive of all fees, taxes or other charges.

A per-month payment beginning with the first monthly bill for service must be charged once the order is complete and service is provided. The maximum allowable per-month payment for a period of twenty months is an amount equal to the customer's basic monthly service rate, exclusive of all fees, taxes or other charges. Customers may pay the entire amount at any time, in lieu of monthly payments, and must pay the entire remaining amount at the time of disconnecting service if the disconnection occurs prior to full payment.

(b) Customers are responsible for providing or paying the cost of trenching, conduit, or other structures required for placement of company-

provided drop wire from the customer's property line to the premises.

(4) Cost recovery for extensions of service.

(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 on terminating access in an amount necessary to recover the cost of an extension of service. The tariff may not recover costs covered by applicant or customer payments for service extensions, federal universal service funds, or any similar funds or grants from other sources. The company must file the tariff to be effective only so long as necessary to recover the costs allowed under this section.

(b) Companies may recover costs by filing a tariff under (b)(i) or (ii) of this subsection. In the case of companies that serve fewer than two percent of the access lines in the state, placement of the tariff on the agenda of a commission open meeting constitutes notice of an opportunity to be heard on the need for any reporting requirements related to a tariff based on estimated costs.

(i) A company may file a proposed tariff to recover fifty percent of the estimated cost of an extension after it obtains all permits necessary for construction related to the extension of service. Extensions of service must be completed within twelve months of the effective date of a tariff that uses estimated costs. The tariff based on estimates is null and void at the end of that twelve-month period if the extension of service is not completed however, the commission, for good cause shown, may permit the tariff based on estimates to remain in effect after twelve months. If the commission does not permit the tariff based on estimates to continue, the company must within thirty days of the commission's decision or the end of the twelve-month period, whichever is later, file a replacement tariff to offset the amounts collected. After completion of an extension subject to a tariff based on estimated costs, the company may file a tariff to recover the cost of the extension less any amount already recovered or, in the event of an over-collection, must file a tariff to reduce terminating access sufficient to offset the amount over-collected through the initial tariff.

Class A companies that have in effect a service-extension tariff based on estimated costs must report quarterly on collections, expenditures, and construction timetables and progress, including a final report after completion of the extension and termination of the tariff. Companies that serve fewer than two percent of the access lines in the state and that have in effect a service-extension tariff based on estimated costs must make the same report every six months if ordered by the commission.

(ii) A company may file a tariff to recover the cost of a service extension at any time within two years after completion of an extension and may accumulate the cost of multiple line extensions before filing a tariff.

(c) The commission will review the cost justification for the tariffs and approve the tariffs if they are consistent with this section. The commission will not conduct an earnings review of the company's operations for the purpose of reviewing the proposed tariffs.

(5) Extension of service to neighboring exchange facilities. (a) A company that is willing to extend service to a neighboring exchange may recover under subsection (4) of this section the cost of an extension to a neighboring exchange if companies obligated to serve the neighboring exchange agree that the cost of a cross-boundary service extension would be less than the cost of extension within the applicants' exchange and agree to the cross-boundary extension.

(b) In the case of a cross-boundary extension, an applicant will become a customer of the extending company. The customer's rates and local calling capabilities must be the same as other customers served out of the extending company's same central office.

(c) The newly constructed facilities will be the property of the

extending company, but the exchange boundary will remain unchanged.

(d) The charge to the customer shall be determined in accordance with subsection (3) of this section.

(6) **Extensions to developments.** The cost of extensions to developments should be borne by those who gain economic advantage 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. Accordingly, local exchange companies may not recover under subsection (4) of this section the costs of extensions to serve the following:

(a) Developments filed after the effective date of this rule for which a public offering statement is required under chapter 58.19 RCW;

(b) Divisions of land filed after the effective date of this rule that use binding site plans under RCW 58.17.035 to create five or more lots or units;

(c) Subdivisions filed after the effective date of this rule;

(d) Short subdivisions with five or more lots filed after the effective date of this rule;

(e) Developments filed prior to the effective date of this rule, in which all lots were under common ownership and control on the effective date of this rule, and in which no residential buildings were constructed after the division of land and prior to the effective date of this rule;

(f) Divisions of land using binding site plans under chapter 58.17 RCW with five or more lots or units filed prior to the effective date of this rule, in which all lots, units or both were under common ownership and control on the effective date of this rule, and in which no residential buildings or commercial or industrial buildings were constructed after the division of land and prior to the effective date of this rule;

(g) Subdivisions filed prior to the effective date of this rule, in which all lots were under common ownership and control on the effective date of this rule, and in which no residential buildings were constructed after the division of land and prior to the effective date of this rule;

(h) Short subdivisions with five or more lots filed prior to the effective date of this rule, in which all lots were under common ownership and control on the effective date of this rule, and in which no residential buildings were constructed after the division of land and prior to the effective date of this rule;

(i) Mobile home parks, mobile home park cooperatives, and mobile home park subdivisions filed after the effective date of this rule;

(j) Mobile home parks, mobile home park cooperatives, and mobile home park subdivisions filed prior to the effective date of this rule, in which all lots were under common ownership and control on the effective date of this rule, and in which no residential buildings were placed or constructed after the division of land and prior to the effective date of this rule;

(k) Marinas;

(l) Camping resorts regulated under chapter 19.105 RCW;

(m) Condominiums regulated under chapters 64.32 and 64.34 RCW;

(n) Timeshares regulated under chapter 64.36 RCW.

(7) **Waiver of obligation under this section.**

(a) The commission retains the authority under RCW 80.36.090 to 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 under subsection (2)(b) of this section. In determining the reasonable entitlement, the commission may consider those factors listed in (b)(ii)(A) through (G) of this subsection and such other information that it may consider necessary to a proper determination.

(b) Waiver of subsection (3)(a) of this section:

(i) A company may petition for a waiver of subsection (3)(a) of this section in order to charge an applicant the direct cost to extend service if

it is unreasonable for the direct cost of the extension of service to be borne by rates permitted under subsection (4) of this section.

(ii) In determining whether cost recovery under subsection (4) of this section for an extension is unreasonable and granting a waiver is consistent with public interest, the commission will consider:

(A) The total direct cost of the extension;

(B) The number of customers to be served;

(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.