## **EXHIBIT A**

Thomas F. Dixon
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November 12, 2008

Rachel O'Keefe 1817D Havillah Road Tonasket, WA 98855

AND

Rachel O'Keefe 706 S. Antwine Avenue Tonasket, WA 98855

Re: Petition of Waiver of Verizon Northwest Inc.

Washington Transportation and Utilities Commission

Docket No. UT-061925

Dear Ms. O'Keefe:

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 5,625 feet at an estimated cost of approximately \$32,866.

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

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distance of approximately 4,625 feet, which Verizon estimates to be \$27,023. 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 <a href="http://apps.leg.wa.gov/wac/default.aspx?Cite=480">http://apps.leg.wa.gov/wac/default.aspx?Cite=480</a>.

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.

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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.

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,

Thomas F. Dixon



## 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).

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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 <a href="mailto:sbate@utc.wa.gov">sbate@utc.wa.gov</a> or telephone (360) 664-1295.

Sincerely,

David W. Danner

Executive Director and Secretary

## APPLICATION FOR EXTENSION OF FACILTIES TO PROVIDE RESDIENTIAL BASIC LOCAL EXCHANGE SERVICE VERIZON NORTHWEST INC. STATE OF WASHINGTON

DATE:	
APPLICANT NAME:	
ADDRESS WHERE	
SERVICE IS REQUESTED:	
ARE YOU REQUESTING AN EXTENSI	ON
OF FACILITIES IN ORDER TO	
RECEIVE BASIC LOCAL EXCHANGE	Yes No
TELEPHONE SERVICE?	
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	
APLYING FOR SERVICE EXTENSION	•
AT THIS TIME.	
ar Into Into	
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 No
IS THIS APPLICATION FOR EXTENSION OF FACITLITIES 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 APPLICANT authorizes Verizon to develo cost of constructing the extension of servic conduct a site visit if necessary to prepare	op a written quotatic e requested and aut	n for the estimated
APPLICANT SIGNATURE:		
DATE:		

<sup>&</sup>lt;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.