



GRAHAM & DUNN PC

UT-011439  
(PW)

NANCY E. DICKERSON  
LEGAL SECRETARY  
(206) 340-9381  
ndickerson@grahamdunn.com

October 23, 2001

**VIA FEDERAL EXPRESS**

Ms. Carole Washburn  
Secretary  
Washington Utilities and Transportation Commission  
P.O. Bos 47250  
1300 South Evergreen Park Dr. S.W.  
Olympia, WA 98504-7250

RECEIVED  
01 OCT 24 PM 9:23  
OFFICE OF THE  
ATTORNEY GENERAL

**Re: In the Matter of the Petition of Verizon Northwest Inc.  
For Waiver of WAC 480-120-071(2)(a)**

Dear Ms. Washburn:

Enclosed please find the original and 20 copies of Verizon Northwest Inc.'s Petition in the above-referenced matter. Please assign a docket number to this case, stamp one of the copies and return it to us in the enclosed stamped self-addressed envelope provided for your convenience.

If you should have any questions, please call Judy Endejan. Her direct line is 206-340-9694. Thank you.

Sincerely,

**GRAHAM & DUNN PC**

Nancy E. Dickerson  
Legal Secretary

/ned  
Enclosures

cc: Service List

m25144-325749.doc

RECEIVED  
01 OCT 24 11:51:23  
UNITED STATES  
DEPARTMENT OF JUSTICE

ORIGINAL

BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

In the Matter of the Petition of ) Docket No. UT- 011439  
VERIZON NORTHWEST, INC., ) PETITION  
For Waiver of WAC 480-120-071(2)(a) )

**I. RELIEF REQUESTED**

Pursuant to WAC 480-120-071(7)(a), and WAC 480-120-015 Verizon Northwest Inc. ("Verizon") petitions the Commission for a waiver of, or an exemption from, the requirements of WAC 480-120-071 with regard to extending service to two separate locations (Taylor and Nelson) in Verizon's Bridgeport exchange in Okanogan and Douglas Counties. The cost to extend service to these locations is \$1,134,757. Clearly, this Commission cannot find that it is reasonable for Verizon and its customers to pay over \$1.13 million to extend service to two customers. In addition to the prohibitive expense of initial construction, maintaining service to these locations would impose substantial ongoing operational difficulties and financial burdens on Verizon and its other customers. Granting of the requested exemption and a waiver are in the public interest.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

## II. STATEMENT OF FACTS

A. Taylor Location.

1. Verizon has received no service order from Kate Taylor, although Ms. Taylor contacted Verizon for information about providing telephone service to a location in Verizon's Bridgeport Exchange, at the end of a dirt/gravel road (Hayes Road) which extends for 2.3 miles from State Highway 17, about 12 miles outside of Bridgeport.

2. The Taylor location is in a remote, sparsely populated area. It is not part of a town, village or other community. Verizon has received no service order requests or expressions of interest from anyone along Hayes Road or on Highway 17 leading back to Bridgeport, other than from Ms. Taylor.

3. As Attachment A shows, the Taylor location is closer to a Century Telephone exchange. Verizon contacted Century Telephone about providing cross boundary service to Ms. Taylor, but Century Telephone was not interested in doing so.

4. Verizon's existing network in this area is adequately sized to serve existing and forecasted demand in the Bridgeport Exchange.

5. As Attachment B shows, Verizon would incur estimated construction costs of \$326,305 to provide service to the Taylor location. These extraordinarily high costs are due primarily to the distances involved. Verizon would have to construct over 17 miles of new facilities to provide service to the Taylor residence.

6. Verizon would not extend its network to provide service to the Taylor location in the normal course of its business operations, due to the high costs involved and the lack of any forecasted growth in the area. Regular network construction is driven by forecasted growth in customer demand so as to maximize the use of available capital dollars in an orderly, financially responsible manner, especially in vast, rural areas such as North Central Washington, where average construction costs are high to begin with.

1 7. Verizon would face increased maintenance expense associated with serving the  
2 Taylor location because its maintenance and repair staff would have to travel greater distances  
3 and take care of miles of additional network in difficult terrain, which has above average  
4 maintenance costs.

5 8. Verizon engineers who have traveled to the Taylor location were unable to receive  
6 wireless signals.

7 B. Nelson Location.

8 1. Mr. Ike Nelson, 224 Timm Road, Bridgeport, Washington 98840 placed a service  
9 order with Verizon for residential telephone service.

10 2. The Nelson location lies just within Verizon's Bridgeport exchange area, on the  
11 north side of the Columbia River in a very remote, inaccessible area, which is mostly open cattle  
12 range. Verizon engineers observed no other permanent residences on Timm Road.

13 3. The Nelson location is not part of a town, village or other community. Verizon  
14 has received no other service order requests or expressions of interest from anyone else in this  
15 locale.

16 4. In order to provide service to the Nelson location, Verizon would have to  
17 construct new network facilities from Verizon's closest central office in Brewster for a length of  
18 27 miles along an unmaintained, rocky dirt road.

19 5. Attachment C is a map prepared by Verizon's engineering team showing the route  
20 Verizon would have to take to reach the Nelson location. Verizon would have to cross into an  
21 exchange of Qwest Communications Inc. ("Qwest") and place the majority of Verizon's facilities  
22 in Qwest territory before dropping back down into Verizon's Bridgeport exchange to provide  
23 service to the Nelson residence.

24 6. The Nelson location is much closer to Qwest facilities than to Verizon facilities.  
25 Verizon approached Qwest about providing service to Mr. Nelson, who happens to be an  
26 employee of Qwest. Qwest declined to provide service to the Nelson location.

1           7.     As shown on Attachment C, Verizon engineers estimate that constructing  
2 facilities to the Nelson location would cost \$808,452. The unusually rocky terrain and the  
3 remoteness of the Nelson location are the key reasons for these high costs. The route Verizon  
4 would have to take to the Nelson residence is along basalt cliffs and over a dirt road lined with  
5 rocks the size of cars. These extraordinary rock conditions require use of special, costly rock-  
6 cutting equipment in order to place the cable to reach the Nelson residence.

7           8.     In addition to the rockiness of the route, the sheer distance to the Nelson location  
8 increases costs significantly. This distance requires a fiber optic cable design, rather than the  
9 traditional, less expensive copper cable design, in order to provide telephone service that is  
10 capable of satisfactory performance, once installed. Verizon would have to add over four miles  
11 of new fiber cable to its network to tie in the Nelson line extension with an existing fiber cable  
12 route. This new fiber would also have to be placed in the same type of terrain discussed in the  
13 preceding paragraph.

14          9.     Verizon's existing network is sized adequately to serve existing and forecasted  
15 demand. Verizon would not normally add to its network to accommodate possible service orders  
16 from the Nelson locale. Regular network construction is driven by forecasted growth in  
17 customer demand so as to maximize the use of available capital dollars in an orderly, financially  
18 responsible manner, especially in vast rural areas such as North Central Washington where  
19 average construction costs per customer are high to begin with. As a regular business practice,  
20 Verizon maximizes use of its existing network. Facilities are added where projected growth or  
21 customer demand justifies the expense. Years can pass without a request for service in some  
22 remote rural areas.

23          10.    Extending service to the Nelson residence would create costly maintenance  
24 challenges. Three Verizon outside technicians serve the Bridgeport Exchange. Providing  
25 maintenance service to the Nelson location would require the dispatch of two technicians for two  
26 days. Due to the remoteness of the location, the hazards of ingress and egress on the 23 mile

1 rocky dirt road and the difficulty in pinpointing a problem in 23 miles of buried cable, two  
2 technicians would be needed for maintenance and repair. Each maintenance and repair visit  
3 would cost Verizon a minimum of approximately \$600, several times Verizon's annual rate for  
4 local telephone service. These maintenance costs are significantly higher than average for this  
5 part of the state. The road to the Nelson residence crosses through cattle country. In Verizon's  
6 experience a combination of weather, soil conditions and animal activity in this area heightens  
7 the need for network maintenance. In the winter Verizon would be precluded from providing  
8 maintenance because the road is not maintained and Verizon employees would have extremely  
9 limited access. To the extent Verizon's crews would be tied up on Nelson maintenance they  
10 would be unavailable for other service needs.

11 11. The Verizon engineer who visited the Nelson location was not able to receive  
12 wireless signals from this location.

13 **III. GRANTING A WAIVER WOULD BE**  
14 **CONSISTENT WITH THE PUBLIC INTEREST**

15 A. Criteria to be Considered in Granting a Waiver.

16 1. When the Commission enacted WAC 480-120-071, it recognized that some  
17 requested line extensions posed unreasonable costs and burdens and should not be made.  
18 Therefore it allowed for a waiver and laid out seven criteria to guide the waiver process in WAC  
19 480-120-071(7)(b). The Commission may also consider "such other information that it may  
20 consider necessary to a proper determination." WAC 480-120-071(7)(a). Because this Petition  
21 is also brought pursuant to WAC 480-120-015, the Commission is not restricted in what it  
22 considers in order to allow a waiver of a rule.<sup>1</sup>

23 2. This Petition represents a clear case for waiver of the WAC 480-120-071  
24 obligation to extend service to the Nelson and Taylor locations. It would not be in the public  
25

26 <sup>1</sup> WAC 480-120-015(1) sets forth a "public interest" criterion, and subsection (4) sets forth "hardship" criterion.  
The grounds Verizon discusses under WAC 480-120-071 meet these criteria as well.

1 interest to force Verizon and its customers to pay approximately \$1.13 million (plus ongoing  
2 high maintenance costs) to provide service to two customers. This result would represent a  
3 serious misallocation of limited resources.

4 B. WAC 480-120-071(7)(b) criteria.

5 1. The total direct cost of the extension. It would cost \$1,134,757 to extend facilities  
6 to these two locations. This is several orders of magnitude higher than typical line extension  
7 costs, even for this part of the state.

8 2. The number of customers to be served. Only two potential customers are  
9 involved. Verizon received a service order request from Mr. Nelson but only an inquiry from  
10 Ms. Taylor.

11 3. The comparative price and capabilities of radio communication service or other  
12 alternatives available to customers. Based on Verizon personnel's field visits, cellular service is  
13 not available at either location.

14 4. Technological difficulties and physical barriers presented by the requested  
15 extensions.

16 (a) The Petition details technological and physical barriers to extending and  
17 maintaining service to the Taylor location (see Paragraphs. II.A: (1)-(7)).

18 (b) The Petition details the tremendous technological difficulties and physical  
19 barriers for extending and maintaining service to the Nelson location (see Paragraphs II.B.(2)-  
20 (10)).

21 5. The effect on the public switched network.

22 Verizon would have to reallocate significant funds that would have otherwise been used  
23 to provide upgrades and other extensions to the public switched network for more of its  
24 customers.

25 Verizon only has three outside technicians available to service its exchanges in which the  
26 Taylor and Nelson premises are located. This staffing is sufficient to meet the needs of current

1 Verizon customers in these areas. Diverting technicians to the very remote Nelson and Taylor  
2 locations – especially in harsh weather conditions that would increase travel and work times –  
3 would prevent those technicians from meeting other customers’ needs.

4 6. The effect on the company.

5 The company would suffer the effects described in section 5, above. Misallocating  
6 Verizon’s limited capital and expense dollars would harm Verizon’s overall ability to serve the  
7 vast majority of its customers in the Okanogan in order to add only two customers, and the extra  
8 maintenance burdens would impact the company’s ability to provide service to its other  
9 customers.

10 7. The effect on the individuals and communities involved. There are no  
11 communities involved – just two isolated locations.

12 8. Other information.

13 The areas where Ms. Taylor and Mr. Nelson have chosen to live are isolated and among  
14 the most remote and inaccessible in Washington State. These individuals knowingly reside miles  
15 and miles from neighbors and towns. The issue presented to the Commission is whether the  
16 public and Verizon and its customers should have to shoulder a million dollar cost of these  
17 personal choices, and bear the negative impacts on service maintenance.

18 Individuals such as Mr. Nelson and Ms. Taylor who choose to live a remote lifestyle do  
19 so with full knowledge of whether and at what cost utility services or substitutes are available.  
20 Such persons find ways to meet their utility needs that do not necessarily involve subsidization.  
21 For instance, private power generators are common in remote areas, as are private water wells.  
22 On-site sewage handling facilities are required. Even where power may be extended from public  
23 utility companies or districts, customers must pay far more in cost-based line extension fees than  
24 WAC 480-120-071 allows. If customers are willing to pay the full cost of getting power and  
25 other utility services in remote areas, there is no reason to provide them with a windfall when it  
26 comes to telephone service.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**IV. SUMMARY**

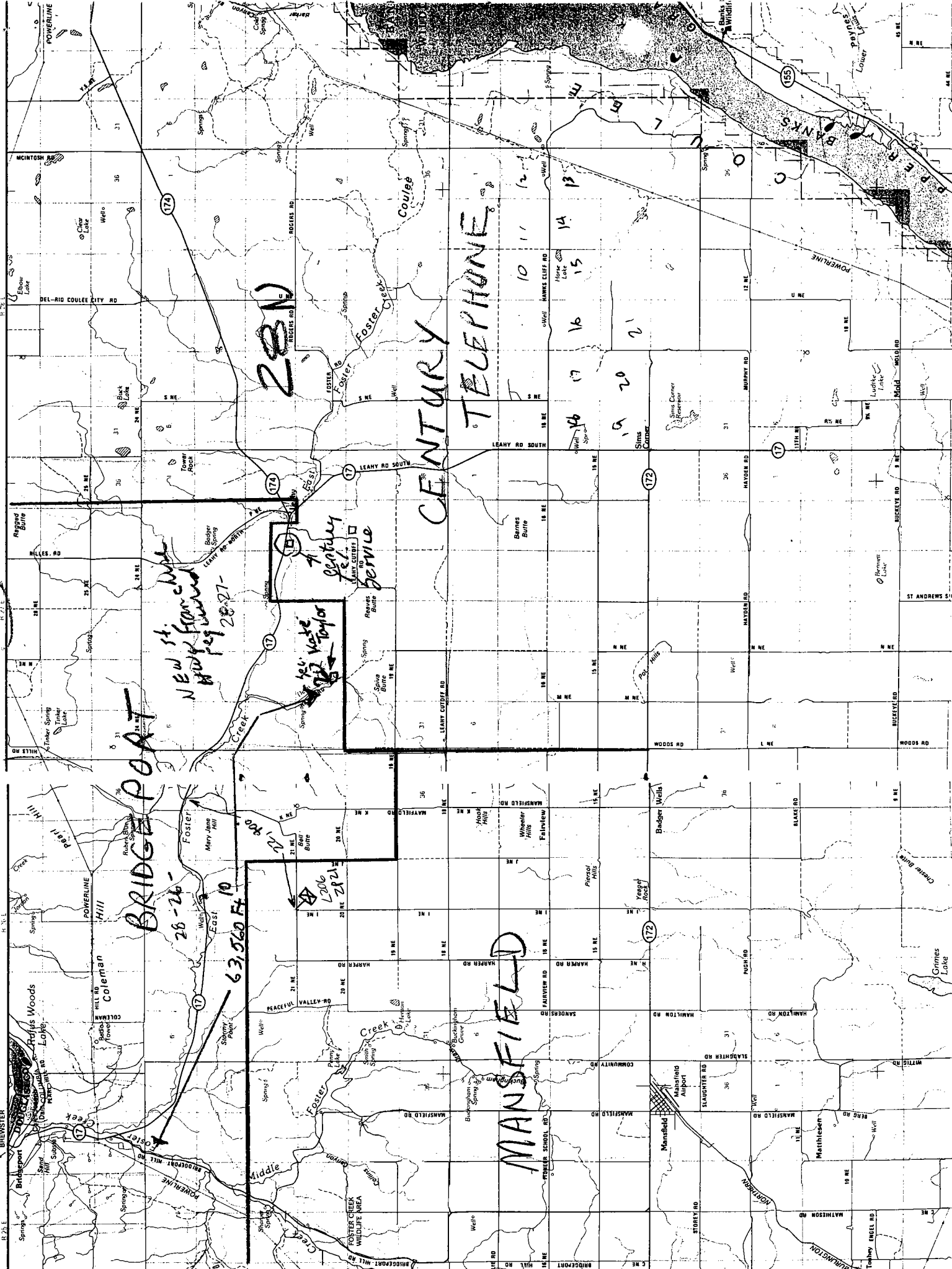
It would be unreasonable for Verizon to undertake such a disproportionately expensive construction job in light of the nominal benefit of adding only two customers to its network. Therefore, Verizon believes it is incumbent upon the company to bring forward this clear case for waiver of the line extension rule in order to protect its existing customers and employees. The facts and circumstances of the Nelson and Taylor requests warrant granting Verizon an exemption from, or waiver of, the WAC 480-120-071 obligation to extend service to these locations.

Respectfully submitted this 23<sup>rd</sup> day of October, 2001.

GRAHAM & DUNN, PC

By *Judith A. Endejan*  
Judith A. Endejan  
WSBA# 11016  
Attorneys for Verizon Northwest Inc.

# **EXHIBIT A**



BRIDGE POAT

CENTURY TELEPHONE

MANSFIELD

NEW 5th. HANCOCK  
NEW 6th. HANCOCK  
NEW 7th. HANCOCK  
NEW 8th. HANCOCK  
NEW 9th. HANCOCK  
NEW 10th. HANCOCK  
NEW 11th. HANCOCK  
NEW 12th. HANCOCK  
NEW 13th. HANCOCK  
NEW 14th. HANCOCK  
NEW 15th. HANCOCK  
NEW 16th. HANCOCK  
NEW 17th. HANCOCK  
NEW 18th. HANCOCK  
NEW 19th. HANCOCK  
NEW 20th. HANCOCK  
NEW 21st. HANCOCK  
NEW 22nd. HANCOCK  
NEW 23rd. HANCOCK  
NEW 24th. HANCOCK  
NEW 25th. HANCOCK  
NEW 26th. HANCOCK  
NEW 27th. HANCOCK  
NEW 28th. HANCOCK  
NEW 29th. HANCOCK  
NEW 30th. HANCOCK  
NEW 31st. HANCOCK  
NEW 32nd. HANCOCK  
NEW 33rd. HANCOCK  
NEW 34th. HANCOCK  
NEW 35th. HANCOCK  
NEW 36th. HANCOCK  
NEW 37th. HANCOCK  
NEW 38th. HANCOCK  
NEW 39th. HANCOCK  
NEW 40th. HANCOCK  
NEW 41st. HANCOCK  
NEW 42nd. HANCOCK  
NEW 43rd. HANCOCK  
NEW 44th. HANCOCK  
NEW 45th. HANCOCK  
NEW 46th. HANCOCK  
NEW 47th. HANCOCK  
NEW 48th. HANCOCK  
NEW 49th. HANCOCK  
NEW 50th. HANCOCK  
NEW 51st. HANCOCK  
NEW 52nd. HANCOCK  
NEW 53rd. HANCOCK  
NEW 54th. HANCOCK  
NEW 55th. HANCOCK  
NEW 56th. HANCOCK  
NEW 57th. HANCOCK  
NEW 58th. HANCOCK  
NEW 59th. HANCOCK  
NEW 60th. HANCOCK  
NEW 61st. HANCOCK  
NEW 62nd. HANCOCK  
NEW 63rd. HANCOCK  
NEW 64th. HANCOCK  
NEW 65th. HANCOCK  
NEW 66th. HANCOCK  
NEW 67th. HANCOCK  
NEW 68th. HANCOCK  
NEW 69th. HANCOCK  
NEW 70th. HANCOCK  
NEW 71st. HANCOCK  
NEW 72nd. HANCOCK  
NEW 73rd. HANCOCK  
NEW 74th. HANCOCK  
NEW 75th. HANCOCK  
NEW 76th. HANCOCK  
NEW 77th. HANCOCK  
NEW 78th. HANCOCK  
NEW 79th. HANCOCK  
NEW 80th. HANCOCK  
NEW 81st. HANCOCK  
NEW 82nd. HANCOCK  
NEW 83rd. HANCOCK  
NEW 84th. HANCOCK  
NEW 85th. HANCOCK  
NEW 86th. HANCOCK  
NEW 87th. HANCOCK  
NEW 88th. HANCOCK  
NEW 89th. HANCOCK  
NEW 90th. HANCOCK  
NEW 91st. HANCOCK  
NEW 92nd. HANCOCK  
NEW 93rd. HANCOCK  
NEW 94th. HANCOCK  
NEW 95th. HANCOCK  
NEW 96th. HANCOCK  
NEW 97th. HANCOCK  
NEW 98th. HANCOCK  
NEW 99th. HANCOCK  
NEW 100th. HANCOCK

63,060 FT  
28-26

28-27

28-28

28-29

28-30

28-31

28-32

28-33

28-34

28-35

28-36

28-37

28-38

28-39

28-40

28-41

28-42

28-43

28-44

28-45

28-46

28-47

28-48

28-49

28-50

28-51

28-52

28-53

28-54

28-55

28-56

28-57

28-58

28-59

28-60

28-61

28-62

28-63

28-64

28-65

28-66

28-67

28-68

28-69

28-70

28-71

28-72

28-73

28-74

28-75

28-76

28-77

28-78

28-79

28-80

28-81

28-82

28-83

28-84

28-85

28-86

28-87

28-88

28-89

28-90

28-91

28-92

28-93

28-94

28-95

28-96

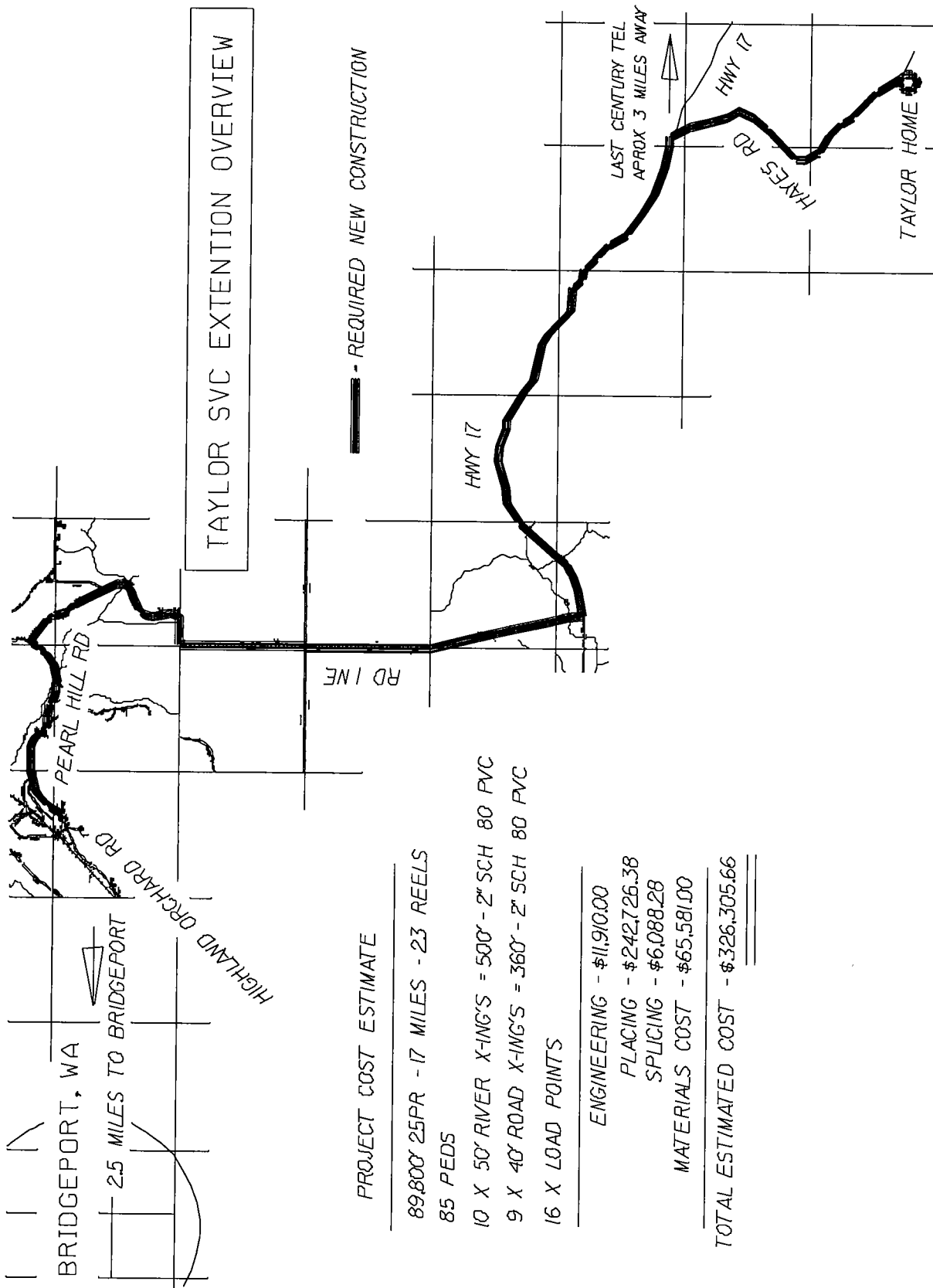
28-97

28-98

28-99

28-100

# **EXHIBIT B**



TAYLOR SVC EXTENTION OVERVIEW

— - REQUIRED NEW CONSTRUCTION

PROJECT COST ESTIMATE

89,800' 25PR - 17 MILES - 23 REELS

85 PEDS

10 X 50' RIVER X-ING'S = 500' - 2" SCH 80 PVC

9 X 40' ROAD X-ING'S = 360' - 2" SCH 80 PVC

16 X LOAD POINTS

ENGINEERING - \$11,910.00

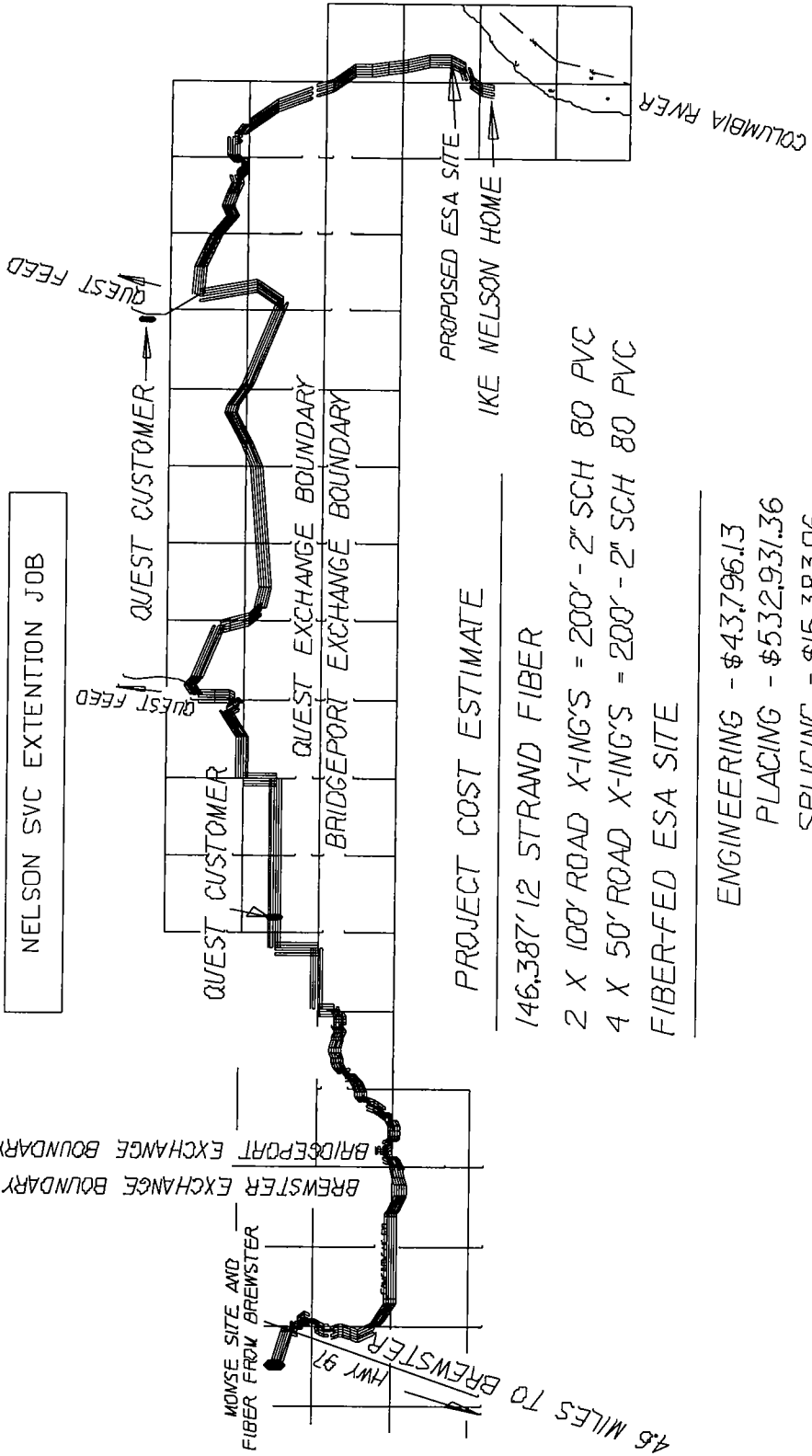
PLACING - \$242,726.38

SPLICING - \$6,088.28

MATERIALS COST - \$65,581.00

TOTAL ESTIMATED COST - \$326,305.66

# **EXHIBIT C**



PROJECT COST ESTIMATE

146,387' 12 STRAND FIBER  
 2 X 100' ROAD X-ING'S = 200' - 2" SCH 80 PVC  
 4 X 50' ROAD X-ING'S = 200' - 2" SCH 80 PVC  
 FIBER-FED ESA SITE

ENGINEERING - \$43,796.13  
 PLACING - \$532,931.36  
 SPLICING - \$15,383.06  
 MATERIALS - \$176,341.76  
 ESA SITE - \$40,000.00

TOTAL ESTIMATED COST - \$808,452.31

===== - REQUIRED NEW CONSTRUCTION - NELSON SERVICE

1  
2 ORIGINAL  
3  
4  
5  
6

7 BEFORE THE WASHINGTON UTILITIES AND  
8 TRANSPORTATION COMMISSION

9 In the Matter of the Petition of ) Docket No. UT-  
10 VERIZON NORTHWEST, INC., ) CERTIFICATE OF SERVICE  
11 For Waiver of WAC 480-120-071(2)(a) )  
12 \_\_\_\_\_ )

13 I, Nancy E. Dickerson, hereby certify that a true and correct copy of the Petition, filed in the  
14 above matter, was served via U.S. Mail on this date, addressed as follows:

15  
16 Kate Taylor  
17 1100 Road 18<sup>th</sup> NE  
18 Mansfield, WA 98830

19 Ike Nelson  
20 224 Timm Road  
21 Bridgeport, WA 98840

22 DATED this 23<sup>rd</sup> day of October, 2001.

23 By *Nancy E. Dickerson*  
24 Nancy E. Dickerson  
25  
26