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October 11, 2002

BY OVERNIGHT DELIVERY

Carole Washburn, Exec. Director  
Washington Utilities & Transport Commission  
1300 South Evergreen Park Dr. S. W.  
Olympia, WA 98504

RE: Petition of The Washington Phone Company, LLP, for waiver of  
WAC Section 480-120-139

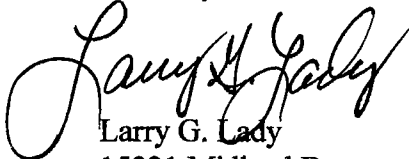
Dear Ms. Washburn:

On behalf of The Washington Phone Company, LLP, and The Phone Company  
Management Group, LLC, DBA The Washington Phone Company, please accept this  
Petition for Waiver of WAC Section 480-120-139.

Enclosed please find an original and three (3) copies of this filing. Please date  
stamp and return the enclosed extra copy of this letter in the envelope provided as  
evidence of filing.

Should you have any questions concerning this filing, please call. Thank you for  
your assistance with this matter.

Sincerely,



Larry G. Lady  
15221 Midland Dr.  
Shawnee, Kansas 66217  
Phone: (913) 613-5579

Enclosures

cc:

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of: )  
The Washington Phone Company, LLP ) Docket No. \_\_\_\_\_  
for waiver of WAC 480-120-139 )

**PETITION**

Pursuant to WAC 480-09-010(3), The Washington Phone Company, LLP, a registered interexchange carrier, respectfully petitions the Commission for a waiver of the requirements set forth in WAC 480-120-139 regarding interexchange carrier selection. Granting petition is in the public interest.

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**I. Factual Background**

The Washington Phone Company provides non-facilities based, resold interLATA toll and interexchange telecommunications services in the State of Washington pursuant to the Commission's grant of authority in Docket No. \_\_\_\_\_, granted \_\_\_\_\_. The Washington Phone Company, LLP (WPC), has agreed to purchase the telecommunications assets of The Phone Company Management Group, LLC, DBA The Washington Phone Company (PCMG), including all customer accounts. PCMG is a registered carrier in Washington pursuant to authority granted in Docket N. UT-00098, effective \_\_\_\_\_. Pursuant to a written Asset Purchase Agreement, WPC has agreed to purchase the customer accounts from PCMG. These accounts are comprised of all customers which have selected PCMG as their preferred carrier for outbound and inbound calling. The special circumstances warranting a deviation or waiver from the Commission's rules and order include the need to provide seamless transitions of long distance service for the affected PCMG customers.

WPC and PCMG intend to notify all current end users of PCMG of the event and also of any change in rates, by a separate mailing or by a bill insert. All present PCMG products are included in WPC's. In no event will any transferred customers be charged higher rates as a result of the proposed transaction. The affected PCMG customers will be informed that they will continue to receive quality long distance services at economical prices from WPC without interruption and without needed action. The affected PCMG customers will also be reminded that they are under no obligation to take service from WPC, and that the customer is free to select another company to transmit their long distance calls.<sup>1</sup>

Additionally, WPC will send a "welcome letter" to the affected customers soon after the mailing described above. The "welcome letter" will reiterate the information disclosed in the first letter and provide the customer with other information on WPC services.<sup>2</sup>

## II. Argument

Pursuant to the Commission's rules, prior to submitting a preferred carrier change, carriers must verify the subscriber's authorization of the change by one of the methods set forth in WAC 480-120-139. WAC 480-09-010(3) provides that "the Commission may make exceptions to these rules in individual cases when doing so is just and reasonable." The Commission may also grant an exception to a competitive carrier from any rule if doing so is consistent with the public interest, the purposes of the underlying regulation and applicable statutes. WAC 480-121-015.

WPC believes that its petition is in the public interest and that alternative regulatory methods will serve the same purpose in this instance as the Commission's primary interexchange carrier change verification rules. WPC requests that the Commission accept the notice and

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<sup>1</sup> See attached letter from WPC and PCMG as attached as Exhibit A.

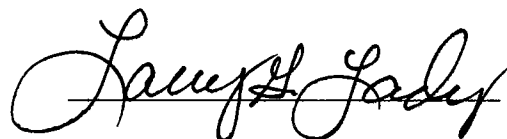
<sup>2</sup> See attached "welcome letter" from WPC attached as Exhibit B.

welcome letters attached as Exhibits A and B in lieu of verification procedures of WAC 480-120-139. The affected customers will be notified that their interexchange service will be continued with WPC at comparable or lower rates without action required of them; that they may receive a credit for any charge imposed by their local exchange carrier for changing their primary interexchange carrier; and that they are under no obligation to take service from WPC and may select another primary interexchange carrier. Customers will also be given PCMG's and WPC's toll-free customer service numbers to call with any questions they may have about the transaction. WPC believes that the notice and welcome letters adequately serve the purpose of assuring that customers who remain with WPC genuinely want WPC as their interexchange and intraLATA toll carrier.

On the other hand, the Commission's verification rules would not be served by obtaining prior authorization and verification in order to switch the affected customers of PCMG to WPC. Customers who may not understand the need to authorize the change in their intraLATA toll and interexchange service provider and who, therefore, fail to respond to a request for authorization, could lose their service or pay potentially higher rates.

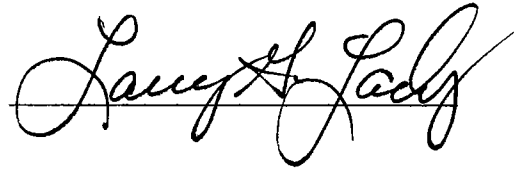
Expedited action on this waiver is requested. Waiver of the Commission's verification rules in this instance allows WPC to provide a seamless transition to PCMG customers, while ensuring that the affected customers clearly understand available options. Therefore, the Commission should grant WPC's request for expedited waiver of the Commission's verification rules set forth in WAC 480-120-139 to permit transfer of the affected customers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lawrence J. Gadey". The signature is written in a cursive style with a horizontal line underneath the name.

Larry G. Lady  
Managing Partner  
The Washington Phone Company, LLP  
15221 Midland Dr.  
Shawnee, Kansas 66217  
Phone: (913) 613-5579

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct to the best of my information and belief.

A handwritten signature in black ink, reading "Larry G. Lady". The signature is written in a cursive style with a horizontal line drawn through the middle of the letters.

(Exhibit A)

The Washington Phone Company, LLP      Phone Company Management Group, LLC  
15221 Midland Dr.  
Shawnee, Kansas 66217  
Phone: (913) 613-5579

(Customer Name)  
(Address)

Dear Customer:

On, October 4, 2002 The Washington Phone Company, LLP (“WPC”) and the The Phone Company Management Group, LLC, DBA The Washington Phone Company (PCMG), entered into an agreement whereby, subject to regulatory approval, the telecommunications assets of PCMG will be acquired by WPC, and WPC will become your telecommunication service provider.

This change in ownership will not affect or in any way disrupt your current service. No charges or fees will be imposed and no rate increase will occur as a result of this transaction. Should future rate changes occur WPC will give you ample advance notification, to include new product promotions. The toll free Customer Service number will remain the same and if you have any questions, please call one of our Customer Service Representatives at 1-888-523-5580.

We at WPC are pleased to welcome you to our team and would like to express our appreciation for allowing us the opportunity of being your telecommunication service provider. We are confident that you will be pleased with the high quality of our service.

(Exhibit B)

The Washington Phone Company, LLP  
15221 Midland Dr.  
Shawnee, Kansas 66217  
Phone: (913) 613-5579

(Customer Name)  
(Address)

Dear Customer:

Welcome to *The Washington Phone Company, LLP*. This letter is for your information only; no further action on your part is required. As you are aware, on October 4, 2002, *The Washington Phone Company, LLP* ("WPC") and The Phone Company Management Group, LLC, DBA The Washington Phone Company (PCMG), entered into an agreement whereby, subject to regulatory approval, the telecommunications assets of PCMG will be acquired by WPC, and WPC will become your telecommunication service provider.

This change in ownership has taken effect and will not affect or in any way disrupt your current service. No changes or fees will be imposed and no rate increase will occur as a result of this transaction. The toll free Customer Service number will remain the same and if you have any questions, please call one of our Customer Service Representatives at 1-888-523-5580. If future rate changes occur we will give you ample time to evaluate those changes and product promotions.

You may receive a credit for any charge imposed by your local exchange carrier for changing your primary interexchange carrier. You have a choice of carriers. If you do not wish to remain a customer, you may change carriers within 30 days of the date of this notice and such change will be at the present carrier's expense.

We at WPC are pleased to welcome you to our team and would like to express our appreciation for allowing us the opportunity of being your telecommunication service provider. We are confident that you will be pleased with the high quality of our service.

**EXPRESS REVOCATION OF TELECOMMUNICATION SERVICES  
AND OPERATING AGREEMENT**

**THE PHONE COMPANY OF WASHINGTON JOINT VENTURE BETWEEN  
ON SYSTEMS TECHNOLOGY, LLC  
AND  
THE WASHINGTON PHONE COMPANY, LLP**

This Agreement is made on October 4, 2002 ("Effective Date") between the Washington Phone Company, LLP, a Washington Limited Liability Partnership, and On Systems Technology, LLC, a Colorado Limited Liability Company.

Washington Phone Company, LLP and On Systems Technology, LLC executed a Telecommunications Services and Operating Agreement ("TSOA") known as the Washington Phone Company Joint Venture, on June 12, 2002.

The contracting parties to Washington Phone Company Joint Venture now act to expressly terminate the TSOA known as the Washington Phone Company Joint Venture under paragraph 12.1 of Article XII of the TSOA as of the Effective Date. Pursuant to paragraph 16.10 of Article XVI of the TSOA between the contracting parties, termination of the TSOA also terminates all prior agreements and understandings among the participants relating to telecommunications services and the management thereof within the state of Washington and necessarily serves to terminate the Management Agreement between the Washington Phone Company, LLP and OnSystems Technology, LLC executed on January 16, 2002.

The contracting parties to this express written agreement waive any and all notice requirements to each other for termination provided for in the TSOA in existence at the time of this Agreement and any notice requirements provided for in the Management Agreement between the parties in existence at the time of this Agreement.

The parties acknowledge and agree that all customers serviced in the State of Washington by On Systems Technology, LLC, or any third party which has contracted with On Systems Technology, LLC, pursuant to the aforementioned agreements, shall be conveyed to the Washington Phone Company, LLP subject to approval of a license and right to operate in Washington. In the interim, before approval is granted to the Washington Phone Company, LLP by the Washington Utilities & Transportation Commission, ServiSense.com shall provide service.

Contemporaneously with the execution of this Agreement, On Systems Technology, LLC shall transfer all assets of the Washington Phone Company Joint Venture, including but not limited to any and all bank accounts, accounts receivable, equipment, telephone

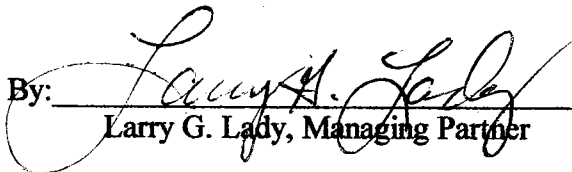


numbers and software to Washington Phone Company, LLP. Furthermore, On Systems Technology, LLC shall provide the Washington Phone Company, LLP with complete information with regard to each customer, including but not limited to, Long Distance order information and the services ordered by each customer to date. Upon receipt of the foregoing, and confirmation from internal review by the LLP of the accuracy of the accounts receivable, Washington Phone Company, LLP shall assume liability for the outstanding indebtedness to ServiSense.com in an amount equal to the amount of the accounts receivable which are directly attributable to the operating of On Systems Technology, LLC within the State of Washington.

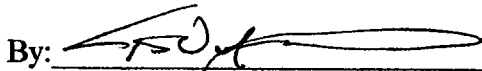
Expressly contingent upon full performance of the foregoing provisions of this Agreement by On Systems Technology, LLC, and approval by the Washington Utilities & Transportation Commission as set forth above, the parties to this Agreement hereby release, remise and forever discharge the other and, as applicable, their respective officers, partners, members, directors and employees, of and from any and all actions, causes of actions, suits, debts, dues, accounts, costs, legal costs, contracts, claims and demands of every nature or kind which either party at any time hereafter can, shall, or may have against the other in any way arising or resulting, directly or indirectly, from any cause or matter, and without limiting the generality of the foregoing, any cause or matter arising from the relationship of the parties as such relationship relates to The Washington Phone Company Joint Venture, the Washington Partnership, and the business of The Phone Company of Washington Joint Venture. The parties further covenant and agree that this mutual release shall bind as applicable each parties' respective members, partners, directors, officers and employees.

**IN WITNESS WHEREOF**, the participants and signatories hereto have executed this Agreement effective October 4, 2002.

The Washington Phone Company, LLP

By:   
Larry G. Lady, Managing Partner

On Systems Technology, LLC

By:   
Tim Wetherald, Manager