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BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of) Docket No. UT-061298
5)
6 VERIZON NORTHWEST INC.)
7) AMENDED PETITION FOR WAIVER OF
8 For Waiver of WAC 480-120-071) VERIZON NORTHWEST INC.
9)

10
11 1. This amended petition is brought by Verizon Northwest Inc. (“Verizon”), 1800
12 41st Street, Everett, Washington 98201. Verizon is represented on this matter by:

13 Thomas F. Dixon
14 Assistant General Counsel - Northwest Region
15 Verizon
16 707 – 17th Street, #4200
17 Denver, Colorado 80202
18 Phone: (303)390-6206
19 Fax: (303)390-6333

20 2. As described more fully in paragraph 3, Verizon seeks a waiver from the
21 requirements of WAC 480-120-071(2)(b) pursuant to WAC 480-120-071(7)(a). In the
22 alternative, Verizon seeks a waiver of WAC 480-120-071(3)(a) pursuant to WAC 480-120-
23 071(7)(b) and WAC 480-120-015. This amended petition is submitted because Verizon has
24 received additional requests for service from Verizon made by Anja Pitsker and Leeann Impero
25 in the vicinity of the Platt¹ location as described below.

26
27 **I. RELIEF REQUESTED**

28 3. Pursuant to WAC 480-120-071(7)(a), Verizon petitions the Commission for a
29 waiver of, or an exemption from, the requirements of WAC 480-120-071(2)(b) with regard to
30 extending service to four separate locations (Bush, Platt/Hussey, Pitsker and Impero) in

¹ Mr. Platt sold the property to Steve and Sherry Hussey as described below; for purposes of convenience, the property is referred to in this Petition as the Platt/Hussey location.

1 Verizon's Molson-Chesaw and Tonasket Exchanges. In the alternative, if the Commission
2 ultimately decides that service must be extended to any or all of these locations, Verizon
3 petitions the Commission pursuant to WAC 480-120-071(7)(b) and WAC 480-120-015 for a
4 waiver of WAC 480-120-071(3)(a) in order to charge the applicants the cost to extend service.
5 The collective cost to extend service to these four locations is estimated at \$163,066. It is
6 unreasonable for Verizon and its customers to pay over \$163,000 to extend service to four
7 customers. In addition to the prohibitive expense of initial construction, maintaining service to
8 these locations would impose substantial ongoing operational difficulties and financial burdens
9 on Verizon and its other customers.

10 11 **II. STATEMENT OF FACTS**

12 A. Bush Location

13 4. Mr. Ed Bush placed a service order with Verizon for residential telephone service
14 at 463 Sqove Road in Molson, Washington. The requested service location is approximately 14-
15 15 miles from Chesaw in Verizon's Molson-Chesaw Exchange on an unmaintained private road,
16 which is very narrow and has numerous washed out locations as much as 18-24 inches deep. A
17 four-wheel drive vehicle in low gear is required to go around or over the ruts and washouts. The
18 difficult terrain can be seen in the photographs provided in Attachment A.

19 5. As demonstrated from the map and aerial photograph provided in Attachment B,
20 the Bush location is in a remote, sparsely populated area. It is not part of a town, village or other
21 community. It is located on a private road that traverses a number of property parcels, on which
22 no residences are located. Before service could be extended to this location, Mr. Bush would
23 have to secure easements from the property owners of these other parcels. Verizon has received
24 no service requests or expressions of interest from anyone along this private road other than from
25 Mr. Bush, and Mr. Bush has indicated that the one resident located beyond his property on this
26 private road is unlikely to seek telephone service.

1 6. As Confidential Attachment C shows, Verizon would incur estimated construction
2 costs of \$99,720 to provide service to the Bush location. Verizon would have to construct
3 approximately 12,600 feet of new facilities, and the badly maintained road would present
4 numerous costly problems. As a result of the required use of a four-wheel drive vehicle, there
5 also will be potential safety problems if and when large equipment needed to do work is brought
6 to and from the site, as well as used in the work efforts. The site also appears, by visual
7 inspection, to require a significant amount of rock sawing, which is an expensive endeavor.

8 7. Verizon would face increased expense associated with serving the Bush location
9 because its maintenance and repair staff would have to travel greater distances and take care of
10 miles of additional network in difficult terrain and winter snow conditions (requiring use of a
11 snowmobile during winter months). Also, at such time in the future as all or part of these
12 facilities would need to be replaced, Verizon and its other ratepayers would bear the costs of
13 such replacement.

14
15 B. Platt/Hussey, Pitsker and Impero Locations

16 8. Mr. Jim Platt placed a service order with Verizon for residential telephone service
17 at 162 White Tail Lane in Tonasket, Washington. Subsequently, Mr. Platt sold the property to
18 Steve and Sherry Hussey as stated in a letter received by Verizon dated October 23, 2006, as
19 Attachment D shows. In the letter, the Hussey's request that they become the applicants for the
20 Platt request for service. The requested service location is approximately twenty-five miles from
21 Tonasket in Verizon's Tonasket Exchange in an area called Cape Labelle. It is off of Aeneas
22 Valley Road, and generally consists of parcels of twenty acres or more, located on primitive
23 roads.

24 9. Ms. Anja Pitsker placed a service order with Verizon for residential telephone service
25 at 41 White Tail Lane, Tonasket, Washington. The requested service location is approximately
26 twenty five miles from Tonasket in Verizon's Tonasket Exchange in an area called Cape Labelle.

1 10. Ms. Leeann Impero placed a service order with Verizon for residential telephone
2 service at 96 White Tail Lane, Tonasket, Washington. The requested service location is
3 approximately twenty five miles from Tonasket in Verizon's Tonasket Exchange in an area
4 called Cape Labelle.

5 11 As demonstrated from the map and aerial photograph provided in Attachment E,
6 the Platt/Hussey, Pitsker and Impero locations are in a remote, sparsely populated area. It is not
7 part of a town, village or other community.

8 12. As Confidential Attachment F² shows, Verizon would incur estimated
9 construction costs of \$63,346 to provide service to the Pitsker, Impero, and Platt/Hussey
10 locations. The actual costs incurred could be greater, as rock sawing would be required along the
11 route and it is difficult to accurately estimate the amount and costs of rock sawing.

12 13. Verizon would face increased expense associated with serving these locations
13 because its maintenance and repair staff would have to travel greater distances and take care of
14 miles of additional network in difficult terrain and winter snow conditions (requiring use of a
15 snowmobile during winter months). Also, at such time in the future as all or part of these
16 facilities would need to be replaced, Verizon and its other ratepayers would bear the costs.

17
18 **III. ARGUMENT**

19 A. *The Commission should determine under WAC 480-120-071(7)(a) that Verizon is not*
20 *obligated to serve the Bush, Platt/Hussey, Pitsker and Impero properties.*

21 14. The waiver process set forth in WAC 480-120-071(7)(a) recognizes that certain
22 requested line extensions pose unreasonable costs and burdens, and thus should not be
23 undertaken. Under WAC 480-120-071(a), the Commission may – although it is not required to –

² The summary sheet (p. 1 of 5) is not confidential.

1 rely on the factors set forth in WAC 480-120-071(b)(ii) and any other information it considers
2 necessary to analyze a proposed line extension.

3 15. Waiver is appropriate for all of these properties because of the unreasonable costs
4 and burdens associated with serving these four applicants at the expense of the ratepayers. It
5 would be a serious misallocation of limited resources to force Verizon and its customers to pay
6 approximately \$163,000 (plus ongoing high maintenance costs) to provide service to four
7 customers. The areas where the applicants have chosen to live or vacation are isolated and
8 relatively inaccessible. Individuals such as the applicants who choose a remote lifestyle do so
9 with full knowledge of whether and at what cost utility services or substitutes are available.
10 Such persons find ways to meet their utility needs that do not necessarily involve subsidization.
11 For instance, private power generators are common in remote areas, as are private water wells
12 and on-site sewage handling facilities.

13 16. An analysis of the factors set forth in WAC 480-120-071(b)(ii) also demonstrate
14 that service should not be extended to these locations:

15 a. Cost of the Extension (WAC 480-120-071(b)(ii)(A)). It would cost a total
16 of \$163,000 to extend facilities to these four locations. This would be an extraordinary
17 cost to impose to serve four customers.

18 b. The number of customers to be served (WAC 480-120-071(b)(ii)(B)).
19 Only four potential customers are involved.

20 c. The comparative price and capabilities of radio communication service or
21 other alternatives available to customers (WAC 480-120-071(b)(ii)(C)). Based on
22 Verizon personnel's field visits, cellular service is not available at any of these locations.
23 Satellite telephone service, however, is generally available in the area.³ A variety of

³ Verizon does not know at this time whether any line of sight requirements would be met at these locations.

1 satellite telephone service plans are available, with monthly fees as low as \$39.95 and
2 effective per minute charges as low as \$0.14 for calls anywhere in the U.S. and Canada.⁴

3 d. Technological difficulties and physical barriers presented by the requested
4 extensions (WAC 480-120-071(b)(ii)(D)).

5 (i) The technological and physical barriers to extending and
6 maintaining service to the Bush location are detailed in Paragraphs 4-7.

7 (ii) The technological and physical barriers to extending and
8 maintaining service to the Platt/Hussey, Pitsker and Impero locations are detailed in
9 Paragraphs 8-13.

10 e. The effect on the individuals and communities involved (WAC 480-120-
11 071(b)(ii)(E)). The effect on the four individuals requesting service would not be
12 commensurate with the expense to be incurred by the ratepayers to subsidize their
13 service. They are not part of any community and there would be minimal, if any,
14 beneficial effect to the nearest communities by extending service to these four locations.

15 f. The effect on the public switched network (WAC 480-120-071(b)(ii)(F)).
16 Verizon would have to reallocate significant funds that otherwise would have been used
17 to provide maintenance, upgrades and other extensions to the public switched network for
18 more of its customers. Diverting technicians to these remote locations – especially in
19 harsh weather conditions that could increase travel and work times – could prevent those
20 technicians from meeting other customers’ needs.

21 g. The effect on the company (WAC 480-120-071(b)(ii)(G)).

22 Misallocating Verizon’s limited capital and expense dollars would harm
23 Verizon’s overall ability to serve its customers in the affected exchanges in order to add

⁴http://www.globalsatellite.us/prod_detail.aspx?Product_ID=667&Nav_ID=453 ,
http://www.daysatphones.com/voice_pricing.htm

1 only four customers, and the extra maintenance burdens would impact Verizon's ability
2 to provide service to its other customers.

3
4 B. *In the alternative, if the Commission determines service must be extended to any or all of*
5 *the relevant locations, it should allow Verizon to recover its costs of extending its service.*

6 17. For all the reasons stated in Section III.A., including the analysis of the WAC
7 480-120-071(b) factors set forth in paragraph 16.a – g. above,⁵ Verizon and its ratepayers should
8 not be forced to pay for the extension of service to these four applicants. Thus, if the
9 Commission requires Verizon to build the line extensions necessary to serve these four locations,
10 recovery of Verizon's costs associated with such extensions would be appropriate.

11 12 **IV. SUMMARY**

13 It would be unreasonable for Verizon to undertake such disproportionately expensive
14 construction in light of the nominal, at best, benefit of adding only four customers to its network.
15 Thus, Verizon brings forward this case for waiver of the line extension rule in order to protect its
16 existing and future customers and employees. The facts and circumstances of these four requests
17 for service from Verizon warrant granting Verizon an exemption from, or waiver of, the WAC
18 480-120-071 obligation to extend service to these locations. If the Commission decides to
19 require extension of service to any or all of these locations, then it should permit Verizon to
20 recover the costs of these extensions directly from the applicants causing the costs to be incurred,
21 rather than from its other ratepayers.

⁵ Although these factors apply to waiver requests under WAC 480-120-071(b), Verizon's request that this Petition also be considered under WAC 480-120-015 enables the Commission to provide for recovery of costs without specific findings under those factors.

1 Respectfully submitted this 26th day of October, 2006.

2
3 VERIZON NORTHWEST INC.

4
5 By _____

6 Thomas F. Dixon, Assistant General Counsel
7 Northwest Region

8 Verizon

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10 Denver, Colorado 80202

11 (303) 390-6206

12 888-475 7218, ext. 3 (toll free)

13 thomas.f.dixon@verizon.com
14

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I did on October 26, 2006, send a true and exact copy of the within amended petition and attachments by U S Mail, first class postage, prepaid, addressed to:

Ed Bush
463 Sqove Road
Wauconda, WA 98859

Jim Platt
11661 SE 1st Street, Studio 207
Bellevue, WA 98005

Steve and Sherry Hussey
8708 Laguna Dr SW
Olympia, WA 98512

Anja Pitsker
1440 - 23rd Street, Apt 106
Santa Monica, CA 90404

Leeann Impero
5968 Pearl Lane
Ferndale, WA 98248

The following addresses are listed by the United States Postal Service as “Non-deliverable” and that “Mail sent to this address will be returned”.

Anja Pitkser
41 White Tail Lane
Tonasket, Washington 98855

Leeann Impero
96 White Tail Lane
Tonasket, Washington 98855

Steve and Sherry Hussey
162 White Tail Lane
Tonasket, Washington 98855

Jim Platt
162 White Tail Lane
Tonasket, Washington 98855

Dated: October 26, 2006
