

Agenda Date: June 15, 2005

Item Number: A4

Docket: UT-050606

Company Name: Inland Telephone Company

Staff: Deborah Reynolds, Telecommunications Regulatory Analyst
Dave Griffith, Telecommunications Engineer
Bob Shirley, Telecommunications Policy Analyst

Recommendation

Issue a complaint and order suspending the tariff filing in UT-050606.

Background

Inland Telephone Company (Inland), on April 19, 2005, filed a tariff requesting addition of some territory north of the Roslyn exchange, and removal of territory comprising the Suncadia Resort (Suncadia) on the southern edge of the Roslyn exchange. The territory to be added has no residences or commercial activity; the territory to be removed will have 2,800 residences, three golf courses, and other commercial activity when Suncadia completes its plans. Some of this development has already occurred. The result of approving this filing would be to remove Inland's obligation to serve the planned development.

On May 10, 2005, Suncadia stated its opposition to the boundary change. On June 6, 2005, Suncadia and Inland entered into a contract for telecommunications services and counsel for Inland informed Commission Staff that Suncadia no longer opposes Inland's tariff that removes territory equal to the land owned by Suncadia from the Roslyn Exchange. The contract is conditioned on "approval" of the tariff in this docket; the contract limits Inland's obligation to provision of the present 100-pair cable; requires Inland to submit a tariff to the Commission for the service that carries Suncadia's E-911 calls, including ALI and ANI; is for a term of 10 years; and requires Suncadia to support fully the tariff in this docket.

On May 5, 2005, Intelligent Community Services, Inc (ICS), a competitive local exchange company (CLEC), stated its opposition to the boundary change. ICS is a vendor for Suncadia Resort and it has informed Commission Staff that it will need services from Inland in order to provide telecommunications services to Suncadia. At this time, ICS has not informed Commission Staff if its position has changed since it protested the alteration to the Roslyn Exchange.

Discussion

Commission Staff is concerned that removing Inland's obligation to serve in the Suncadia development is not in the public interest because it may leave residents without ready access to telecommunications service from a local exchange company. It is Washington's policy to "maintain and advance the efficiency and availability of telecommunications service." RCW 80.36.300(2). One means to ensure the availability of service is through the statutory obligation to serve. RCW 80.36.090. Removal of the Suncadia Resort territory from the Roslyn Exchange, however, may also remove Inland's obligation to serve the area.¹

While it is the case that Inland now plans to continue service to the Suncadia Resort under a contract rather than under an obligation to serve, it is not clear that the result will be that any person or corporation residing now, or in the future, in the territory to be removed from the exchange by this tariff will be reasonably entitled to service, as is the case when RCW 80.36.090 applies.²

Commission Staff believes that the Commission should determine whether it is in the public interest for present and future homeowners living in Suncadia to remain within the Roslyn Exchange³ and therefore in a position where they may request service from a carrier with an obligation to serve.⁴

Recommendation

Issue a complaint and order suspending the tariff filing in UT-050606.

¹ The Washington Supreme Court has stated that an exchange "define[s] the geographical limits of a company's obligation to provide service on demand[.]" *Electric Lightwave et. al v. Utilities and Transportation Commission*, 123 Wn.2d 530, 537 (1994). A company's obligation to serve is not absolute; the Commission rule on line extensions provides a mechanism for relief if a company receives a request for service that it considers unreasonable. WAC 480-120-071.

² Commission Staff could find no cases where the Commission has removed the ILEC's obligation to serve when the ILEC intended to continue providing service to the area, and had both facilities and services already in place. In the past, where the Commission removed an obligation to serve by removing territory from an exchange, the ILEC has not provided service in the vacated area.

³ The Commission has authority to prescribe exchange area boundaries. RCW 80.36.230.

⁴ Unresolved in Washington is whether ETC service areas shrink or remain unchanged if an exchange area on which the designation and calculation of support shrinks.