

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Petition of |) | DOCKET NO. UT-030908 |
| |) | |
| Covad Communications Company |) | ORDER NO. 01 |
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| Petitioner, |) | |
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| For Exemption from WAC 480-120-139. |) | ORDER GRANTING EXEMPTION |
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BACKGROUND

- 1 On June 10, 2003, Covad Communications Company (Covad) filed with the Commission a petition requesting exemption from WAC 480-120-139 for the transfer of intrastate facilities-based, high-speed Digital Subscriber Line (DSL) services from Qwest Corporation (Qwest) to Covad Communications Company (Covad).

- 2 The reason for this request is prompted by the Petitioner’s agreement to transfer the customer base of Qwest Corporation (Qwest), whose accounts are comprised of DSL service. Under WAC 480-120-139, “Changes in local exchange and intrastate toll services,” Covad would not be able to submit a change in a customer’s intrastate toll service without confirming the customer’s authorization in accordance with requirements.

- 3 The request for exemption of WAC 480-120-139 is limited specifically to the transfer of Qwest’s customer base. Customer notices have been reviewed by Commission Staff and will be mailed to all affected customers informing them of their options. The affected customers will not be charged for changing their DSL service to Covad. Covad’s products and services are similar to those offered by

Qwest. Covad's customer rates are the same or lower than Qwest's existing rates. Covad will provide to customers notice of changes in rates and services.

FINDINGS AND CONCLUSIONS

- 4 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunication companies. *RCW 80.01.040; Chapter 80.04 RCW, and Chapter 80.36 RCW.*
- 5 (2) Covad and Qwest are engaged in the business of providing telecommunication services within the state of Washington and are public service companies subject to the jurisdiction of the Commission under the provisions of Chapter 80.36 RCW.
- 6 (3) Covad is subject to the provisions of WAC 480-120-139, requiring telecommunication companies to obtain customer authorization prior to switching a customer's service.
- 7 (4) WAC 480-120-015 provides that the Commission may grant an exemption from the provisions of any rule in Chapter 480-120 WAC, if consistent with the public interest, the purposes underlying regulation and applicable statutes.
- 8 (5) Commission Staff reviewed the request and recommended granting Covad's request for an exemption, subject to the mailing of the customer notices.

- 9 (6) This matter was brought before the Commission at its regularly scheduled meeting on June 27, 2003.
- 10 (7) After review of the petition filed in Docket UT-030908 by Covad on June 10, 2003, and giving due consideration, the Commission finds that the exemption from WAC 480-120-139 is consistent with the public interest and should be granted.

O R D E R

THE COMMISSION ORDERS:

- 11 (1) After the effective date of this Order, Covad Communications Company is granted an exemption from WAC 480-120-139, Changes in local exchange and intrastate toll services, for the initial transfer of DSL customers from Qwest Corporation.
- 12 (2) This exemption is subject to Covad Communications Company mailing customer notices.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 27th day of June, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary