

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

In the Matter of the Petition of)	DOCKET NO. UT-040142
)	
GRANITE)	ORDER NO. 01
TELECOMMUNICATIONS, LLC,)	
)	
Petitioner,)	
)	
Seeking Exemption from the)	
Provisions of WAC 480-120-540)	
Relating to Terminating Access)	ORDER GRANTING
Charges)	EXEMPTION FROM RULE
.....)	

BACKGROUND

- 1 On February 2, 2004, Granite Telecommunications, LLC (Granite or the Company) filed a petition requesting exemption from WAC 480-120-540.

- 2 WAC 480-120-540 only permits a local exchange company to include in its terminating switched access rates a charge for recovery of any costs for support of universal access to basic telecommunications service when authorized by the Commission. Granite is not currently authorized to do so, nor has it ever demonstrated any universal access costs of the type solicited and examined in Docket UT-980311(a).

- 3 In Docket UT-990307 the Commission granted a waiver of WAC 480-120-540 to five competitively classified local exchange carriers subject to conditions. Therefore, Granite is also requesting a waiver of WAC 480-120-540, at this time, for the same reasons as expressed in Docket UT-990307.

- 4 The Commission has the authority to impose conditions on our waiver of WAC 480-120-540 for Granite, and we find it reasonable and appropriate to do so in this instance. We will require Granite to file price lists for terminating access service at rates not to exceed those charged by Qwest Corporation, f/k/a U S WEST Communications, Inc., and Verizon Northwest Incorporated, f/k/a GTE Northwest Incorporated in their respective service territories. The Commission notes that RCW 80.36.320(4) authorizes the Commission to “revoke any waivers it grants” and to “reclassify any competitive telecommunications company if the revocation or reclassification would protect the public interest.” Our action granting waiver of WAC 480-120-540 is an interim step, and we may revisit waiver of the rule upon consideration of any new universal service funding measures or programs.
- 5 Commission Staff reviewed the request and recommended granting Granite’s request for exemption, subject to the following condition(s) described in paragraph 4 above.

FINDINGS AND CONCLUSIONS

- 6 (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 telecommunications companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.36 RCW.*
- 7 (2) Granite is engaged in the business of providing telecommunications services within the state of Washington and is a public service company subject to the jurisdiction of the Commission under the provisions of Chapter 80.36 RCW.

- 8 (3) Granite is subject to the provisions of WAC 480-120-540.
- 9 (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.
- 10 (5) This matter was brought before the Commission at its regularly scheduled meeting on May 26, 2004.
- 11 (6) After review of the petition filed in Docket UT-040142 by Granite on February 2, 2004, and giving due consideration, the Commission finds that the exemption is reasonable and should be granted.

ORDER

THE COMMISSION ORDERS:

- 12 (1) After the effective date of this Order, Granite Telecommunications, LLC is granted an exemption from WAC 480-120-540, as outlined in background paragraph 4 above.
- 13 (2) This exemption is subject to the condition(s) as outlined in background paragraph 4 above.
- 14 (3) The Commission retains jurisdiction over the subject matter and Granite Telecommunications, LLC to effectuate the provisions of this Order.

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

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DATED at Olympia, Washington, and effective this 26th day of May, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary