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BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of) Docket No. UT-
VERIZON NORTHWEST INC.)
For Waiver of WAC 480-120-071) PETITION OF WAIVER OF
VERIZON NORTHWEST INC.

12 1. This petition is brought by Verizon Northwest Inc. ("Verizon"), 1800 41st Street,
13 Everett, Washington 98201. Verizon is represented on this matter by:

14 Thomas F. Dixon
15 Assistant General Counsel - Northwest Region
16 Verizon
17 707-17th Street, 40th Floor
18 Denver, CO 80202
19 Phone: (303)390-6206
20 Fax: (303)390-6333
21 Toll Free: 1-888-475-7218, Ext. 3

22 2. As described more fully in paragraph 3, Verizon seeks a waiver from the
23 requirements of WAC 480-120-071(2)(b) pursuant to WAC 480-120-071(7)(a). In the
24 alternative, Verizon seeks a waiver of WAC 480-120-071(3)(a) pursuant to WAC 480-120-
25 071(7)(b) and WAC 480-120-015.

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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 Greg Kermgard ("Kermgard" or "the applicant") in Verizon's Tonasket
31 Exchange. In the alternative, if the Commission ultimately decides that service must be extended
32 to this location, Verizon petitions the Commission pursuant to WAC 480-120-071(7)(b) and
33 WAC 480-120-015 for a waiver of WAC 480-120-071(3)(a) in order to charge the applicant the
34 direct cost to extend service. The cost to extend service to this location is estimated to be at least

1 \$22,570.42. It is unreasonable for Verizon and its customers to pay approximately \$22,570 to
2 extend service to one customer. In addition to the prohibitive expense of initial construction,
3 maintaining service to this location would impose substantial ongoing operational difficulties
4 and financial burdens on Verizon and its other customers.

6 II. STATEMENT OF FACTS

7 4. Kermgard placed a service order with Verizon for residential telephone service at
8 72 One Sky View Drive, Tonasket, Washington. The Kermgard property is located
9 approximately 26 miles from Tonasket in a remote area in Okanogan County on a dirt road.
10 Because of current winter weather conditions, no Verizon engineer has been able to go to the
11 property to physically inspect the property, the road conditions or the surrounding area. An
12 engineer may be able to inspect the property in March of 2008. From past experience, Verizon's
13 engineer believes that the dirt road is rocky in some places and rutted in others. Providing
14 service would require constructing at least 3,000 feet of new facilities, likely involving costly
15 problems such as a significant amount of rock-sawing and expensive on-going maintenance.

16 5. As demonstrated from the aerial photograph provided in Attachment A, the
17 Kermgard location is in a remote, sparsely populated area. It is not part of a town, village or
18 other community. It is located on a road that traverses a number of property parcels, on which
19 no residences are located.

20 6. As Confidential Attachment B shows, which is based upon the location of
21 Verizon's closest distribution plant and no actual inspection of the property, Verizon expects to
22 incur estimated construction costs of at least \$22,570 to provide service to the Kermgard location
23 in order to construct approximately 3,000 feet of new facilities, and the road would likely present
24 numerous costly problems. Based upon prior experience, the site also may require a significant
25 amount of rock sawing, which is an expensive endeavor.

1 10. An analysis of the factors set forth in WAC 480-120-071(b)(ii) also demonstrate
2 that service should not be extended to the Kermgard location:

3 a. Total direct cost of the extension (WAC 480-120-071(b)(ii)(A)). It would
4 cost approximately \$22,570 to extend facilities to this location. This would be an
5 extraordinary cost to impose upon Verizon and its customers to serve one customer.

6 b. The number of customers to be served (WAC 480-120-071(b)(ii)(B)).
7 Only one potential customer is involved.

8 c. The comparative price and capabilities of radio communication service or
9 other alternatives available to customers (WAC 480-120-071(b)(ii)(C)). Because a
10 Verizon engineer cannot reach the site at this time, Verizon personnel have no knowledge
11 of whether radio communications service, cellular service or satellite service are available
12 at the applicant's specific location. However, in the event satellite service is capable of
13 being received at the applicant's specific location, a variety of satellite telephone service
14 plans could be utilized, with monthly fees as low as \$39.95 and effective per minute
15 charges as low as \$0.14 for calls anywhere in the U.S. and Canada.¹ Verizon is unaware
16 of any other wireline telecommunications provider in the vicinity who is willing to
17 provide service to applicant, and was specifically informed by Qwest that it is unwilling
18 to serve the Kermgard property.

19 d. Technological difficulties and physical barriers presented by the requested
20 extensions (WAC 480-120-071(b)(ii)(D)). The technological and physical barriers to
21 extending and maintaining service to the Kermgard location to the extent they are known
22 without a physical inspection of the property are described in Paragraphs 4-7.

23 e. The effect on the individual and communities involved (WAC 480-120-
24 071(b)(ii)(E)). The effect on the individual requesting service would not be

¹http://www.globalsatellite.us/prod_detail.aspx?Product_ID=667&Nav_ID=453,
http://www.daysatphones.com/voice_pricing.htm

1 commensurate with the expense to be incurred by Verizon's customers to subsidize his
2 service. Applicant's residence is not part of any community and there would be minimal,
3 if any, beneficial effect to the nearest communities by extending service to this location.

4 f. The effect on the public switched network (WAC 480-120-071(b)(ii)(F)).
5 Verizon would have to reallocate significant funds that otherwise would have been used
6 to provide maintenance, upgrades and other extensions to the public switched network for
7 more of its customers. Diverting technicians to the remote Kermgard location –
8 especially in harsh weather conditions that would increase travel and work times – would
9 prevent those technicians from meeting other customers' needs.

10 g. The effect on the company (WAC 480-120-071(b)(ii)(G)). Misallocating
11 Verizon's limited capital and expense dollars would harm Verizon's overall ability to
12 serve its customers in the affected exchanges in order to add only one customer, and the
13 extra maintenance burdens would impact Verizon's ability to provide service to its other
14 customers.

15
16 B. *In the alternative, if the Commission determines service must be extended to the*
17 *Kermgard location, it should allow Verizon to recover its direct costs of extending its*
18 *service under WAC 480-120-071(7)(b).*

19 11. For all the reasons stated in Section III.A., including the analysis of the WAC
20 480-120-071(b) factors set forth in paragraph 10a – g. above,² Verizon and its customers should
21 not be forced to pay for the extension of service to this applicant. However, if the Commission
22 requires Verizon to build the line extension necessary to serve the Kermgard location, recovery
23 of Verizon's direct costs associated with this extension would be appropriate under WAC 480-
24 120-071(b).

² Although these factors apply to waiver requests seeking to recover direct costs 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 direct costs without specific findings under those factors.

1 **IV. SUMMARY**

2 It would be unreasonable for Verizon to undertake such disproportionately expensive
3 construction in light of the nominal, at best, benefit of adding only one customer to its network.
4 Thus, Verizon presents this case for waiver of the line extension rule in order to protect its
5 existing and future customers and employees. The facts and circumstances of the Kermgard
6 request warrant granting Verizon an exemption from, or waiver of, the WAC 480-120-071
7 obligation to extend service to this location. If the Commission decides to require extension of
8 service to the Kermgard location, then it should permit Verizon to recover the direct costs of this
9 extension in advance directly from the applicant who is causing the costs to be incurred, rather
10 than from its other customers.

11 Respectfully submitted this 5th day of February, 2008.

12
13 VERIZON NORTHWEST INC.



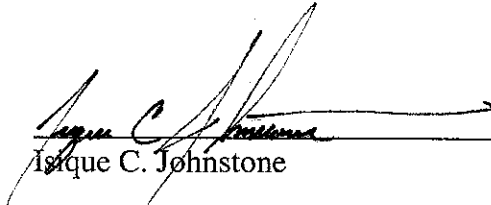
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15 By _____

16 Thomas F. Dixon, Assistant General Counsel
17 Northwest Region
18 Verizon
19 707 – 17th Street, 40th Floor
20 Denver, Colorado 80202
21 (303) 390-6206
22 888-475 7218, ext. 3 (toll free)
23 thomas.f.dixon@verizon.com
24

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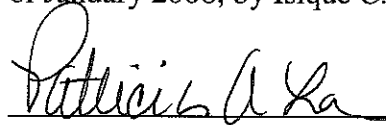
VERIFICATION

I, Isique C. Johnstone, Engineer for Verizon Northwest, Inc., have been unable to personally inspect the property located at 72 One Sky View Drive Road, the roads leading to the property or the nature of the conditions at or near the property due to adverse winter weather conditions. I do attest to the accuracy of the factual statements contained in the foregoing petition to the best of my knowledge and belief based upon my general knowledge of the area and the location of Verizon's distribution plant maintained in Verizon's business and engineering records.



Isique C. Johnstone

Subscribed and sworn to before me this 31 day of January 2008, by Isique C. Johnstone.



Notary Public



CERTIFICATE OF SERVICE

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I HEREBY CERTIFY THAT I did, on the 5th day of February, 2008, send a true and exact copy of the within petition and attachments by U S Mail, first class postage, prepaid, addressed to:

Greg Kerngard
14200 69th Dr. SE
Snohomish, WA 98296



Patti Lane