

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

)	
)	
In the Matter of the Petitions for Waiver of)	DOCKET NO. UT-061298
the Line Extension Rule by)	
)	DOCKET NO. UT-061464
VERIZON NORTHWEST INC.)	
)	
)	NARRATIVE IN SUPPORT
)	OF SETTLEMENT
_____)	

I. PRELIMINARY MATTERS

1 This Narrative Supporting Settlement Agreement (“Narrative”) is filed pursuant to
WAC 480-07-740(2)(a) on behalf of both Verizon Northwest Inc. (“Verizon”) and the Staff
of the Utilities and Transportation Commission (“Staff”) (collectively, the “Parties”). Both
Parties have signed the Settlement Agreement (“Agreement”), which is being filed as an
attachment to this Narrative.

2 This Narrative summarizes the Agreement. It is not intended to modify any terms of
the Agreement.

3 Should the Commission wish to schedule a hearing on this settlement, the Parties are
prepared, in keeping with WAC 480-07-740(2)(b), to present one or more witnesses each to
testify in support of the proposal and answer questions concerning the Settlement
Agreement. In addition, both counsel are available to respond to any questions regarding
the proposed settlement.

4 If the Commission requires supporting documents beyond the Agreement and
Narrative and their respective attachments, the Parties will provide documentation as
needed.

5 Finally, Staff would like to alert the Commission that a rulemaking on the line
extension rule at issue in this case cannot begin until there is a resolution of this matter
because a discussion between the Commission and persons interested in revisions to the rule
would result in *ex parte* communication directly relevant to the cases we seek to settle.

II. SCOPE OF THE UNDERLYING DISPUTE

6 The underlying dispute concerns two petitions for waiver of the line extension rule,
WAC 480-120-071, filed by Verizon on August 11, 2006, and on September 15, 2006,
respectively.

7 Verizon petitioned the Commission for waivers from the requirements of WAC 480-
120-071(2)(b) with regard to requests to extend service to two separate locations made by
Mr. Ed Bush and Ms. Tamalyn Lively in Verizon's Molson-Chesaw and Tonasket
Exchanges, respectively. In the alternative, Verizon petitioned the Commission for waivers
of WAC 480-120-071(3)(a) in order to charge the applicants the direct cost to extend
service. Verizon asserted that the cost to extend service to these two customer locations was
unreasonable for Verizon and its customers. In addition to the asserted significant expense
of initial construction, Verizon asserted that maintaining service to these locations would
impose substantial ongoing operational difficulties and financial burdens on Verizon and its
other customers because Verizon's maintenance and repair staff would have to travel greater
distances and maintain miles of additional network in difficult terrain and winter snow

conditions. WAC 480-120-071(7) recognizes that certain requested line extensions may pose unreasonable costs and burdens, and thus should not be undertaken.

8 Staff asserted that Verizon had provided insufficient information on the availability and cost of telecommunications service alternatives at each property. On this basis, Staff recommended that the Commission set each petition for hearing to evaluate whether a waiver of the line extension rule would be in the public interest.

9 The Commission set each matter for hearing, and subsequently the two dockets were consolidated at the prehearing conference.

10 The facts set out below, supported by the attached documents, including the Settlement Agreement and its attachments, constitute the factual record stipulated to by the Parties for purposes of this settlement.

A. The Bush Request for Service

11 Verizon has estimated that extending service to the Bush property would cost \$99,720.¹

12 The application for service involves only one residence.

13 The Bush property is located on a privately maintained dirt road in Okanogan County. The road is steep and narrow, rocky in some places, rutted in others. Providing service would require Verizon to construct a little over two miles of new facilities, involving a significant amount of rock-sawing.

14 The road on which the Bush residence is located traverses a number of property parcels, on which no residences are located. Before service could be extended to this

¹ See Redacted Attachment C to Verizon's Petition for Waiver of WAC 480-120-071, Docket UT-061298.

location, Mr. Bush would have to secure easements for Verizon from the owners of these other parcels. Verizon has received no service requests from the owners of these other parcels.

15 Regarding telecommunications alternatives, two Verizon field technicians conducted satellite and cell phone tests for the Bush location on March 9, 2007.² These tests confirmed that without construction³ the Bush property could not be served using less expensive alternatives.

B. The Lively Request for Service

16 The Lively property is located in Okanogan County at the end of a half-mile private road off Roundabout Road. The application for service involves one residence. In the past, the Livelys utilized radio telephone service at their property using a base station unit located at 241A Coco Mountain Road in Tonasket and radio telephone equipment on their property. Verizon provided copper pair to the base station unit. Rather than constructing an extension of service to the Lively property in response to the Livelys' summer 2006 request for service at Verizon's estimated cost of \$69,040, Verizon can provide flat-rated, one party, residential local exchange service⁴ to the Lively residence using an existing Verizon copper pair and using existing radio telephone equipment.⁵ Verizon will provide local exchange service under WAC 480-120-103(1) to the base station unit if the Livelys desire this service. Upon

² See Attachment B, Verizon Report: Field Visit to Bush Location.

³ Verizon's technicians were unable to make any telephone calls from the portable satellite phone at the Bush location. Construction of a tower, however, might result in an angle adequate for satellite access.

⁴ See WAC 480-120-102, regarding class, type and grade of service requirements.

⁵ See Settlement Agreement at Attachment 1, Verizon Report: Radio Telephone Service at Lively Location. The existing equipment includes the radio telephone set and the antenna located at the Lively house, as well as a base station unit located at 241A Coco Mountain Road. None of this equipment is owned by Verizon, nor will Verizon own or operate this equipment if the Livelys elect to utilize it.

the Livelys' assent, Verizon will connect a copper pair to the base station unit, thereby allowing the Livelys to use their radio telephone. To serve the base station unit, Verizon would charge the then-current nonrecurring charge (which is now \$43.25) for reinstallation of local exchange service and then-current monthly recurring charge (which is now \$16.90⁶) for flat-rated, one party, residential local exchange service.

17 The ability to serve the Livelys using an existing base station unit located at 241A Coco Mountain Road, Tonasket, Washington, as well as an antenna and radio telephone located at the Lively house, renders unnecessary Verizon's request for a waiver of the line extension rule. In the event that the Livelys' radio telephone set does not work, replacement sets are available for purchase.⁷

III. DESCRIPTION OF PROPOSED SETTLEMENT

18 The settlement resolves all issues in the dispute, and the Parties agree to a waiver of the line extension rule with respect to the Bush request.

19 With respect to the Lively request, Verizon agrees that it will provide local exchange service to the Lively location using the existing radio telephone equipment if the Livelys desire such local exchange service. The parties agree that Verizon is not legally obligated to construct an extension of service to the Livelys under the line extension rule, WAC 480-120-071 in response to the Livelys' summer 2006 request for service, because Verizon can serve the applicant (the Livelys) under the application for service rule, WAC 480-120-103, by re-connecting the existing radio telephone equipment to a copper pair provided by Verizon. Accordingly, Verizon will request permission from the Commission to withdraw

⁶ On July 1, 2007, Verizon's rate for basic residential local exchange service increased from \$15.43 to \$16.90.

⁷ See Settlement Agreement at Attachment 1, Verizon Report: Radio Telephone Service at Lively Location.

its petition for waiver of the line extension rule pertaining to the Lively location following the Commission's approval of this proposed settlement. Should the Commission decline to approve the request or decide that the proposed settlement does not discharge Verizon's obligations under the line extension rule with regard to the Livelys' summer 2006 request for service, the Agreement provides that either Party may withdraw from the settlement.

20 Staff and Verizon have also agreed to file and support a joint request to stay all other pending Verizon waiver applications (specifically Docket No. UT-061925, the O'Keefe petition, and Docket No. UT-061926, the Cole petition) until adoption by the Commission of a new service extension rule. In addition, Staff has agreed to support a petition to be filed by Verizon to exempt Verizon from the four week deadline set forth in WAC 480-120-103(4) by which carriers ordinarily must file petitions for waiver of WAC 480-120-071. The exemption would apply to any line extension requests received by Verizon prior to the issuance of a final Commission decision in the line extension rulemaking, Docket No. UT-073014. During the rulemaking, Verizon would notify service requestors within six weeks of its decision to either extend service or await the conclusion of the rulemaking. In addition, the settlement obligates Verizon to inform the Commission of any service requests for which Verizon has decided to delay a decision. If the Commission does not approve the requested stays or the exemption, either Party may withdraw from the Agreement.

IV. STATEMENTS OF PARTIES' INTERESTS AND THE PUBLIC INTEREST

21 As stated in the Settlement Agreement, the settlement represents a compromise of the positions of the two Parties. The Parties find it is in their best interests to avoid the expense, inconvenience, uncertainty, and delay caused by ongoing adversarial proceedings.

Likewise, it is in the public interest that these disputes end without spending additional public and company resources on litigation. Further, by granting the joint request to stay all other pending line extension petitions and Verizon's petition for exemption from the four week deadline set forth in WAC 480-120-103(4), the Commission would enable the Parties to commit their resources to the rulemaking . Focusing on the rulemaking will result in a more efficient use of public and private resources because both the Commission and Verizon could avoid concurrently litigating the same policy issues to be addressed in the rulemaking.

A. Statement of Staff's Interest

22 Commission Staff's interest in this settlement is in reaching a conclusion quickly so the Commission may begin a rulemaking to address the policy issues raised by extension requests. The settlement will reduce by at least one year the time necessary to resolve these cases and make it possible to begin a rulemaking now. The settlement also avoids the cost of litigation and preserves considerable Commission Staff resources (and the resources of the Commission), that can be better spent on a line extension rulemaking.

B. Statement of Verizon's Interest

23 By approving the Agreement, the Commission will ensure that Verizon will avoid the cost of the Bush line extension and will, therefore, avoid the need to increase its rates to recover those costs. Further, by approving the Agreement, the Commission will ensure that Verizon will not need to divert scarce resources to extend and maintain service at the Bush property that otherwise would be used to provide maintenance, upgrades, and other extensions to the public switched network, to the benefit of more customers. By offering to serve the Livelys under WAC 480-120-103(1) through use of an existing copper pair,

Verizon will be able to conserve its resources and maintenance expenses for the ultimate benefit and use of other customers.

V. LEGAL POINTS THAT BEAR ON PROPOSED SETTLEMENT

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Under WAC 480-120-071(2)(b), telecommunications companies that file tariffs with the Commission must extend service, upon application, to occupied premises. The Commission may waive a carrier's obligation under the rule, however, if it is unreasonable for the cost of the extension of service to be borne by rates. WAC 480-120-071(7)(b)(i). To determine whether cost recovery under Section 4 of the line extension rule is reasonable, the Commission considers the following:

- (A) The total direct cost of the extension;
- (B) The number of customers to be served;
- (C) The comparative price and capabilities of radio communication service or other alternatives available to customers;
- (D) Technological difficulties and physical barriers presented by the requested extensions;
- (E) The effect on the individuals and communities involved;
- (F) The effect on the public switched network; and
- (G) The effect on the company.

25

In the case of the Bush request for service, it would cost close to \$100,000 to extend service to one customer. Although the Bushes would benefit from the line extension, the factors of the cost and difficulty involved in constructing the extension, the costs that would be incurred in maintaining service to a remote location, and the fact that less expensive service alternatives without additional construction are unavailable at the Bush location, weigh in favor of granting a waiver. In the final analysis, waiving the line extension rule as it applies to the Bush request for service reduces the costs to be borne by rates.

26 Regarding the Livelys' summer 2006 request for service, Verizon can serve the Livelys under WAC 480-120-103, the application for service rule. Therefore, the line extension rule is not applicable because Verizon can serve the Lively property without an extension of service by reconnecting a copper pair to the existing radio telephone base station allowing the Livelys to have local exchange service as described under WAC 480-120-102.

27 In WAC 480-07-700, the Commission expresses its support for Parties' informal efforts to resolve disputes without the need for contested hearings when doing so is lawful and consistent with the public interest. The Parties have resolved all of the issues in dispute between them, and their resolution complies with Commission rules and, as explained above, is consistent with the public interest.

VI. CONCLUSION

28 Because the Parties have negotiated a resolution of all of the issues in this dispute, and because the settlement is in the public interest, both Parties request that the Commission approve the attached Settlement Agreement.

DATED this 6th day of July, 2007, at Olympia, Washington.

Respectfully submitted,

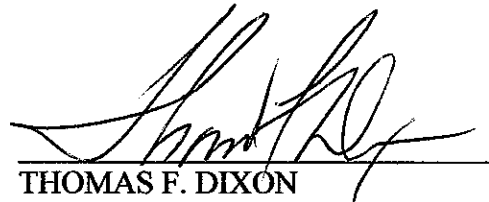
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

VERIZON NORTHWEST INC.

ROBERT M. MCKENNA
Attorney General



JENNIFER CAMERON-RULKOWSKI
Assistant Attorney General
Counsel for the Washington Utilities and
Transportation Commission



THOMAS F. DIXON
Counsel for Verizon Northwest Inc.

Attachment A

Commission set the petitions for adjudication. At a prehearing conference held January 26, 2007, the Commission consolidated the petitions. The Parties notified the Commission on March 21, 2007, that they had reached a settlement, and the Commission suspended the procedural schedule the following day.

A. The Bush Request for Service

5 The Bush property is located approximately 14 to 15 miles from Chesaw in a remote area in Okanogan County on a privately maintained dirt road. The property is currently occupied year round. The road is steep and narrow, rocky in some places, rutted in others. Providing service would require constructing a little over two miles of new facilities, involving costly problems such as a significant amount of rock-sawing, and expensive on-going maintenance.

6 Verizon has estimated that extending service to the Bush property would cost \$99,720.

B. The Lively Request for Service

7 The Lively property is located in Okanogan County at the end of a half-mile private road off Roundabout Road. In the past, the Livelys utilized radio telephone service. Investigation by Verizon subsequent to the prehearing conference indicated that Verizon can provide basic local exchange service again to the Lively residence using existing equipment.¹ Upon the Livelys' assent, Verizon will connect a copper pair to the base station unit located at 241A Coco Mountain Road, Tonasket, Washington, thereby allowing the Livelys to use their radio telephone. Radio telephones are available for purchase, in the event the Livelys' equipment

¹ See Attachment 1, Verizon Report: Radio Telephone Service at Lively Location. The existing equipment includes the radio telephone set and the antenna located at the Lively house, as well as a base station unit located at 241A Coco Mountain Road. None of this equipment is owned by Verizon, nor will Verizon own or operate this equipment if the Livelys elect to utilize it.

no longer functions. To serve the base station unit, Verizon would charge the current nonrecurring charge of \$43.25 for reinstallation of service and the current monthly recurring charge of \$15.43 for local exchange service.

III. AGREEMENT

8 The Parties have reached agreement on the issues raised in the above dockets and wish to present their agreement for the Commission's consideration and approval. The Parties therefore adopt the following Agreement, which the Parties enter into voluntarily to resolve the matters in dispute between them and to expedite the orderly disposition of these dockets.

9 Staff will recommend that the Commission find under 7(b) of the line extension rule, WAC 480-120-071, that Verizon is not obligated to provide service to the Bushes under subsection (2)(b) of the rule, based upon the physical and technical conditions described in this Agreement and the documents filed in its support as well as Verizon's representation that the cost to extend service from the nearest service pedestal to the Bush property is \$99,720.

10 Verizon will provide local exchange service under WAC 480-120-103(1) to the base station unit located at 241A Coco Mountain Road in Tonasket if the Livelys desire this service.

11 The Parties agree that by connecting a copper pair to the base station unit, Verizon is providing the Livelys with local exchange service and that Verizon is not required to construct a line extension to the Lively property in response to the Livelys' summer 2006 request for service. With that understanding, Verizon agrees to request permission from the Commission to withdraw the Verizon petition for waiver of WAC 480-120-071(2)(b) in Docket Number UT-061464 relating to the Lively property. Verizon will file this request within ten (10) days following the Commission's approval of this settlement. Staff agrees to

support Verizon's request (and the request will indicate Staff's support) but, unless requested by the Commission, will not file documents beyond those included with this settlement filing. If the Commission does not approve Verizon's request or does not expressly find that this agreement discharges any obligation Verizon may have under WAC 480-120-071 with regard to the Livelys' summer 2006 request for service, either Party may withdraw from this Agreement. To withdraw, a Party must notify the other Party in writing within 10 calendar days following the date of service of the Commission's order on Verizon's request.

12 Commission Staff and Verizon agree to file and support a joint request to stay all other pending Verizon waiver applications (specifically Docket No. UT-061925, the O'Keefe petition, and Docket No. UT-061926, the Cole petition) until adoption by the Commission of a new service extension rule. In addition, Staff agrees to support a petition to be filed by Verizon to exempt Verizon from the four week deadline set forth in WAC 480-120-103(4), by which Verizon must file petitions for waiver of WAC 480-120-071, for any line extension requests received by Verizon prior to the issuance of a final Commission decision in Docket No. UT-073014, the line extension rulemaking proceeding. A copy of that petition is attached as Attachment 2. Unless requested by the Commission, Staff will not document its support of the petition in any filings beyond those included with this settlement.

13 If the Commission does not approve the stay or the exemption described in the preceding paragraph, either Party may withdraw from this Agreement. To withdraw, a Party must

notify the other Party in writing within 10 calendar days following the date of service of the Commission's order on the request to stay or the Commission's order on the exemption.

14 If, at any time prior to the issuance of a final Commission decision in Docket No. UT-073014, Verizon receives any requests to extend service, Verizon agrees that it will notify the requestor in writing, within six weeks, of Verizon's decision to either (1) construct the extension or, (2) pursuant to this settlement, await the completion of the line extension rulemaking to decide whether or not to petition for a waiver of WAC 480-120-071. If Verizon decides to utilize option (2) for any request, the notification must generally explain the provisions of this settlement that allow Verizon to delay such a decision. In addition, Verizon will send the Commission a copy of Verizon's communications concerning line extension requests received during the pendency of the rulemaking for which Verizon elects option (2) so that the Commission may inform the requesting person of the opportunity to comment in the rulemaking. The provisions of this paragraph apply only in the event that the Commission grants the exemption discussed in paragraphs 12 and 13 above.

15 This Agreement shall become effective only upon the Commission entering an order approving this Agreement. The effective date of the Agreement shall be the date of the Commission order approving this Agreement.

IV. GENERAL PROVISIONS

16 The Parties agree that this Agreement is a settlement of all contested issues between them in this consolidated proceeding. The Parties understand that this Agreement is not binding unless and until accepted by the Commission.

17 The Parties agree to cooperate in submitting this Agreement promptly to the Commission for acceptance. The Parties agree to support adoption of this Agreement in proceedings before the Commission through testimony and/or briefing. To that end, each Party shall make available one or more witnesses in support of this Agreement if determined necessary by the Commission. No party to this Agreement or its agents, employees, consultants, or attorneys will engage in advocacy (either formally or informally) contrary to the Commission's adoption of this Agreement. The Parties agree not to oppose any Commission order which adopts this Agreement in its entirety through the appellate process if any such appellate process occurs.

18 The Parties agree (1) to provide each other the right to review in advance of publication any and all announcements or news releases that the other party intends to make about the Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements) and (2) to include in any news release or announcement a statement that Staff's recommendation to approve the settlement is not binding on the Commission itself.

19 Nothing in this Agreement shall limit or bar any other entity from pursuing legal remedies against Verizon with a basis other than non-compliance with the Commission's rules or Verizon's ability to assert defenses to such claims.

20 The Parties have entered into this Agreement to avoid further expense, inconvenience, uncertainty, and delay. The Parties recognize that this Agreement represents a compromise of the Parties' positions. As such, conduct, statements, and documents disclosed during negotiation of this Agreement shall not be admissible as evidence in this or any other

proceeding, except in any proceeding to enforce the terms of this Agreement or any Commission order fully adopting those terms. This Agreement shall not be construed against either party because it was a drafter of this Agreement.

21 Except to the extent expressly stated in this Agreement, nothing in this Agreement shall be (1) cited or construed as precedent or as indicative of the Parties' positions on an issue resolved in this Agreement, or (2) asserted or deemed in any other proceeding, including those before the Commission, the commission of any other state, the state courts of Washington or of any other state, the federal courts of the United States of America, or the Federal Communications Commission, to mean that a Party agreed with or adopted another Party's legal or factual assertions.

22 The Parties have negotiated this Agreement as an integrated document to be effective upon execution. This Agreement supersedes all prior oral and written agreements on issues addressed herein. Accordingly, the Parties recommend that the Commission adopt this Agreement in its entirety.

23 The Parties may execute this Agreement in counterparts and as executed shall constitute one agreement. Copies sent electronically are as effective as original documents.

24 The Parties shall take all actions necessary as appropriate to carry out this Agreement.

25 The Agreement applies to, inures to the benefit of, and is binding upon the Parties and their successors.


26 In the event the Commission rejects all or any portion of this Agreement, each party reserves the right to withdraw from this Agreement by written notice to the other party and the

Commission. Written notice must be served within 10 calendar days of the Order rejecting part or all of this Agreement. In such event, neither party will be bound or prejudiced by the terms of this Agreement, and either party shall be entitled to seek reconsideration of the Order. Additionally, the Parties will jointly request a pre-hearing conference be reconvened for purposes of establishing a procedural schedule to complete the case.

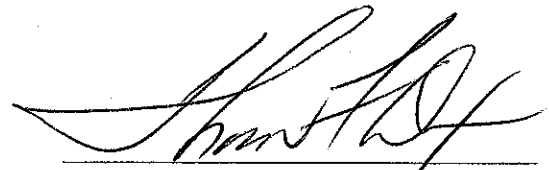
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

VERIZON NORTHWEST INC.

ROBERT M. MCKENNA
Attorney General


JENNIFER CAMERON-RULKOWSKI
Assistant Attorney General
Counsel for the Utilities and
Transportation Commission

Dated: June 20, 2007.


THOMAS F. DIXON
Counsel for Verizon Northwest Inc.

Dated: June 25, 2007.

Attachment 1



Verizon Network Services
Northwest Region

1800 - 41st Street
P.O. Box 1003
Everett, WA 98201

RADIO TELEPHONE SERVICE AT LIVELY LOCATION

As stated in the paragraph 1(b) of the agreement-in-principle between Verizon Northwest Inc. ("Verizon") and the Staff of the Washington Utilities and Transportation Commission dated March 16, 2007, Verizon provides the following report on the availability of radiotelephone systems for the Lively property.

Verizon believes that the Livelys have access to the potential use of an existing radio telephone on its property. A base station unit available to the Livelys is located at 241A Coco Mountain Road, Tonasket, Washington. The base station unit was not provided by or owned by Verizon. Verizon provided the Livelys with a cable pair in order to provide service to that base station unit until July 20, 2006. The base station unit could still support the radio telephone that was (and likely still is) located at the Lively's vacation home at 104-W Frosty Creek Road. To the best of Jan Davies' (Verizon engineer) knowledge and based upon conversations she has had with the Livelys, it is her understanding that the Cobra radio telephone phone, antenna and base equipment used previously are still in place. Attached to this report is a picture of the Lively vacation home showing an antenna. Thus, it appears that the Livelys can obtain local exchange service from Verizon through the radio telephone and base unit set-up utilized previously.

If the Livelys no longer have the radio phone used previously, they could obtain a new one fairly easily. In mid-March 2007, Ms. Davies inquired of the availability of such radio phones with a representative (Mr. Merl Root) of the company Day Wireless (509-826-1304). Mr. Root advised Ms. Davies that radio telephones with parts and antennas are not difficult to obtain, work very well and are available with one or two

lines. According to Mr. Root, Day Wireless typically obtains its equipment from a company named Carlson Wireless.

Day Wireless has a website at <http://www.daywireless.com/>. Parts and accessories can be found at http://www.daywireless.com/parts_accessories.htm. Its toll free number is 1-800-503-3433. It has local offices in Eastern Washington at 116 E. Penny Rd., Wenatchee, WA 98801 and at 650 Riverside Dr. Omak, WA 98841.

Verizon's relevant charges for service to the base station would be: (i) a nonrecurring charge of \$43.25 for reinstallation of service and (ii) a monthly charge for local exchange service to serve the base station unit, which is currently set at \$15.43.

Attachment 2

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BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)
VERIZON NORTHWEST INC.) Docket No. UT-_____
For an Exemption from WAC 480-120-103(4))
PETITION FOR EXEMPTION OF
VERIZON NORTHWEST INC.

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

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

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2. As described more fully in paragraph 3, Verizon seeks a waiver from one of the requirements of WAC 480-120-103(4), which provides:

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In the event a company informs the customer it will request an exemption, the company must submit the request to the commission within four weeks of informing the customer of its decision. A copy of the exemption request must be mailed to the customer not later than the date the request is filed.

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I. RELIEF REQUESTED

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3. The Commission has opened a rulemaking proceeding, Docket UT-073014, to consider whether it will revise its current extension of service rules found at WAC 480-120 and WAC 480-123. Verizon has filed several petitions for waivers from WAC 480-120-071(2)(b). Two of Verizon's waiver petitions have recently been the subject of a Settlement Agreement between the Commission Staff and Verizon filed contemporaneously with this Petition on July 6, 2007, in consolidated dockets UT-061298 and UT-061464.

1 4. In that Settlement Agreement, Verizon agreed to file this petition for an
2 exemption from WAC 480-120-103(4) and more particularly the four week deadline within
3 which the company must submit to the commission a request for waiver of WAC 480-120-071.
4 Staff agreed to support this petition for exemption from the four week deadline. The parties
5 agreed that Verizon would seek this exemption from WAC 480-120-103(4) until the
6 Commission issues a final order in Docket UT-073014. The effect of the exemption would be
7 that the four week deadline by which Verizon would need to file a request for waiver of WAC
8 480-120-071 for any requests for service filed during the pendency of the line extension
9 rulemaking would not begin to run until the date of the final order in Docket UT-073014. As a
10 consequence, except as set forth in paragraph 6 below, Verizon would not be obligated under any
11 Commission rule to undertake any work with regard to a service application that would involve a
12 line extension until a final order is issued in the rulemaking docket, Docket UT-073014.

13 5. The Settlement Agreement also provides that if the Commission does not approve
14 this petition for exemption, either party may withdraw from the Settlement Agreement in dockets
15 UT-061298 and UT-061464.

16 6. If, at any time prior to the issuance of a final Commission order in Docket UT-
17 073014, Verizon receives any request to extend service, Verizon agrees that it will notify the
18 requestor in writing, within six weeks, of Verizon's decision to either (1) construct the extension
19 or, (2) pursuant to the settlement agreement and this petition for exemption, await the completion
20 of the line extension rulemaking in Docket UT-073014 to decide whether to petition for a waiver
21 of WAC 480-120-071. If Verizon decides to utilize option (2) for any request, the notification
22 must generally explain the provisions of this settlement that allow Verizon to delay such a
23 decision. In addition, Verizon will send the Commission a copy of Verizon's communications

1 concerning line extension requests received during the pendency of the rulemaking so that the
2 commission may inform the requesting person of the opportunity to comment in the rulemaking.
3 The provisions of this paragraph apply only in the event that the Commission grants this petition
4 for exemption.

5 **II. ARGUMENT**

6 7. The waiver process set forth in WAC 480-120-071(7)(a) recognizes that certain
7 requested line extensions pose unreasonable costs and burdens on carriers and on Washington
8 ratepayers, and thus should not be undertaken or should be paid for by the applicant.

9 8. Under WAC 480-120-071(7)(a), the Commission may – although it is not
10 required to – rely on the factors set forth in WAC 480-120-071(b)(ii) and any other information
11 it considers necessary to analyze whether an applicant is reasonably entitled to service. Under
12 WAC 480-120-071(7)(b), the Commission will consider the factors set forth in WAC 480-120-
13 071(b)(ii) determine whether it is reasonable for the carrier to charge the applicant the direct cost
14 to extend service.

15 9. Waiver may be appropriate when the costs and burdens associated with serving an
16 applicant at the expense of other ratepayers results in an unreasonable allocation of resources.

17 10. In response to concerns raised by stakeholders about the appropriateness of
18 requiring telecommunications carriers to construct costly line extensions, the Commission has
19 opened a rulemaking proceeding (Docket UT-073014) to address such concerns.

20 11. It is anticipated that the Commission will provide more guidance as to the
21 circumstances under which telecommunications carriers must extend telephone service to
22 potential customers, particularly in remote areas of Washington.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I did on the 5th day of July 2007, send a true and exact copy of the within petition for exemption by U S Mail, first class postage, prepaid, addressed to:

Jennifer Cameron-Rulkowski
Assistant Attorney General
Office of the Attorney General
Utilities & Transportation Division
1400 S Evergreen Park Drive SW
PO Box 40128
Olympia, WA 98504-0128

Dated: July 5, 2007



Thomas F. Dixon

Attachment B



Field Visit 3-9-07 by Tim Young and Randy Kinney

1800 - 41st Street
P.O. Box 1003
Everett, WA 98201

Bush Property 463, Sqove Rd, Molson, WA :

Satellite Phone Results: No higher then 20 degrees on southern face.

Approx 25 degree angle was best angle possible. The satellite phone did NOT work.

Does property have an unobstructed view to the south?

Yes

Compass: yes with a 150-210 degree view

GPS Reading: N 48 52.423
W 118 54.404

Cell phone results: looking for a minimum of 3 bars. How many bars did you get? None

	<u>At the home</u>	<u>Near the home (top of driveway)</u>
Unicel:	no	no
Cingular:	no	no
Verizon:	no	no
Sprint:	no	no
AT&T	no	no

Can you see a cell tower in the vicinity? no

How close is the nearest Cell tower? Approx 20 miles to the south east per GPS