

## Extension of Service

### FURTHER PROPOSED REVISIONS OFFERED BY SPRINT (3/14/00):

(1) **Extensions of Service.** (A) Each company required to file tariffs under RCW 80.36.100 must have on file an extension of service tariff and must extend service consistent with this rule. An extension of service is an extension of company distribution plant outside a county urban growth the base rate area established under RCW 36.70A.110 that extends more than 1/10 mile, and is constructed at the request of one or more applicants that pay a charge under this rule. Extensions of service do not include customer drops, which are the facilities including wire, cable, and fiber from the customer property line to the premises to be served. For extensions to neighboring exchange facilities, see subsection (4) of this rule. The requirements of subsection (5) of this rule apply to local exchange companies required to file either tariffs under RCW 80.36.100, or price lists under RCW 80.36.320.

(B) Any company required to extend service under this rule may do so by extending distribution plant or by making a cooperative service and financial agreement with a radio communications service company to provide service. The services provided by a radio communications service company must be reasonably comparable services at reasonably comparable prices compared to services provided through wireline distribution facilities for the exchange where service has been requested. In addition, the services must include all elements of basic service defined in RCW 80.36.600. A company extending service through a cooperative service agreement with a radio communications service company may file a tariff as permitted under subsection (3) of this rule to recover the lesser of the actual ~~direct~~ cost to extend the service through the cooperative agreement or the ~~direct~~ cost of extending wireline distribution plant.

(C) Extension of service is required only to premises for which there is evidence, in the form of construction permits or otherwise, that the structure(s) receiving service will be permanent.

(2) **Service Extension Charge to Applicants.** (A) The charge to applicants for service extensions must include an initial payment to complete the order. The maximum initial payment to complete the order shall be an amount equal to 20 times the basic monthly service rate exclusive of all fees, taxes or other charges.

A per-month payment beginning with the first month of service will be charged once service is provided. The maximum per-month payment for a period of 20 months will be an amount equal to the basic monthly service rate, exclusive of all fees, taxes or other charges. Customers may pay the entire amount at any time, in lieu of monthly payments.

Companies may impose the initial fee and the per-month fee on any applicant requesting service from a service extension that is less than five years old measured from the date of the initial service provided by the extension.

The full cost of customer drop provided by the company, as defined in this rule, may be recovered by the company from the applicant.

(B) Exceptions to subsection (A) of this rule:

(i) No company may levy a service extension charge against an applicant or customer located within an urban growth base rate area.

(ii) No company may levy a service extension charge against an applicant or customer outside an urban growth base rate area that is served by an extension that is less than 1/10 mile in length in total.

(iii) A company may charge the direct cost for a wireline service extension to an applicant or customer if there is available radio communication service that is reasonably comparable in service and price to the company's wireline service for the exchange where service has been requested. In addition, the service must include all elements of basic service defined in RCW 80.36.600. The direct cost of a line extension, for the purposes of this rule, is the direct and indirect costs of the material and labor to plan and construct the facilities including but not limited to permitting fees, rights-of-way fees, and payments to subcontractors and does not include the cost of reinforcement, network upgrade, or similar costs.

(C) Waiver of subsection (2)(A) of this rule.

(i) A company may petition for a waiver of subsection (2)(A) of this rule in order to charge an applicant the direct cost to extend service if it is unreasonable for the direct cost of the extension of service to be borne by rates permitted under subsection (3) of this rule.

(ii) In determining whether granting a waiver is consistent with the public interest, the commission will consider: (1) the total direct cost of the extension; (2) the number of customers to be served; (3) technological difficulties and physical barriers presented by the requested extensions; (4) the effect on the individuals and communities involved; (5) the effect on the public switched network; and (6) the effect on the company.

**(3) Cost Recovery for Extensions of Service.** A company with a universal service terminating access tariff under WAC 480-120-540 may file a tariff to increase the

universal service element in an amount necessary to recover the ~~direct~~ cost of an extension of service. ~~The direct cost is the material and labor to plan and construct the extension and does not include the cost of reinforcement, network upgrade, or similar costs.~~ The tariff may not recover costs covered by applicant or customer payments for service extensions, federal universal service funds, rural utility service grants, or any similar funds or grants from other sources. The company must file the tariff to be effective only so long as necessary to recover the costs allowed under this rule.

A company may file such a proposed tariff at ~~the~~ any time after it obtains all permits necessary for construction related to the extension of service and may accumulate the costs of multiple line extensions before filing the tariff. The commission will review the cost justification for the tariff and approve the tariff if it is consistent with this rule and in the public interest. The commission will not conduct an earnings review of the company's operations for the purpose of reviewing the proposed tariff.

**(4) Extension of Service to Neighboring Exchange Facilities.** When an applicant is in the exchange of one company and the property line of the applicant is within one-half mile of facilities in a neighboring exchange, the company may elect to extend service to the neighboring exchange if the ~~direct~~ cost to the extending company would be less than extending to distribution plant in the applicant's exchange and the extending company agrees. Under this arrangement, an applicant will become a customer of and receive service from the neighboring exchange at regular local service rates and the customer's local calling capability will be that which is provided in the neighboring exchange. The newly constructed facilities will become the property of the serving company, but the exchange boundary will remain unchanged. The charge to the customer shall be determined in the same manner as in subsection (2) of this rule. The company that

constructs the extension may file a tariff under subsection (3) of this rule to recover the ~~direct~~ cost of the extension.

**(5) Extensions to Developments.** (A) A development is the platting or other approval for construction on the same property or on contiguous properties of homes, apartments, or other housing, commercial or industrial units, for sale or rent, a mobile home park, including additions of four or more proposed lots to existing mobile home parks, or existing or proposed RV parks requiring telephone facilities to individual spaces, and located either within or outside an urban growth base rate area. Local exchange companies ~~must~~ may file tariffs or price lists that require developers of four or more lots to pay the ~~direct~~ cost of extending service to the development boundary, and the ~~direct~~ cost for placement of distribution facilities within the development. ~~The direct cost is the material and labor to plan and construct the facilities and does not include the cost of reinforcement, network upgrade, or similar costs. The tariff or price list must include a provision for assessing fees to additional customers that, during the first five years of operation, connect to the service extension portion of the facilities and for partial refunds to the developer.~~

(B) If a company receives a request for service from an applicant located in a development where the developer after the effective date of this rule failed to order and pay for extension of facilities within the development as required by this rule, the company that serves the exchange must extend the distribution facilities within the development at no cost to the applicant but may ~~pursue payment from the developer~~ bill the developer for the full cost of construction of the trench and backfill, material, facilities in the development, and any other applicable line extension charges to the extent authorized by this rule.