

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

UT-991737

In the Matter of Rulemaking)
Concerning Line Extension)
Tariffs)

COMMENTS OF
SPRINT CORPORATION

Sprint appreciates the opportunity to provide input on the proposed rules in this docket and compliments the Staff on their work. Line extension is an area that has long needed clarification.

Sprint provided proposed revisions to the draft rule language that were discussed at the March 7 workshop and we will not devote further comment to those proposals other than to summarize that we would like the rule to more explicitly: 1) restrict extension of service to permanent structures; 2) provide that the full cost of drop provided by the company, as defined by the rule, may be recovered by the company from the applicant; 3) permit accumulation or charges before the filing of a tariff to adjust access charges; 4) define development and the costs that may be recovered from developers.

As a result of the workshop discussions, Sprint has several concerns about which we have not previously commented.

We would like the rule clarified to indicate that the cost of wire and cable is to be included in the cost of the drop. Rarely is “drop wire” used for drop nowadays; usually cable is installed and can be a significant component of the total cost.

Another concern is our new understanding that Staff intends section (4), “Extension of Service to Neighboring Exchange Facilities,” to mean that the designated carrier for one exchange could elect to have a neighboring carrier serve the designated carrier’s customers, thereby fulfilling the designated carrier’s obligation to serve. Apparently this means a neighboring company could “elect,” i.e., require, Sprint to serve

one or more of their customers cross-boundary. If this understanding is correct, Sprint advocates that the proposed rule be modified to at least give the company a voice in whether it is better equipped to serve the customer than the incumbent provider.

Our third concern is to confirm that the proposed rule will not apply to competitive local providers. If and when competitive providers move into the rural areas where this rule is most likely to be applied, customers will by definition have a choice of providers and market conditions should regulate the appropriate line extension charges for the competitive provider.

Sprint also concurs in the concerns expressed at the workshop about the use of urban growth areas to define where extension of service is applicable. If there is extensive controversy and even litigation about the boundaries of many urban growth areas, then base rate areas may be a better choice. Most companies still refer in their line extension tariffs and policies to the “base rate area” of each exchange.

On the basis of the workshop discussion, Sprint suggests that the adjective “direct” be deleted wherever it currently appears before “cost” in the proposed rule and that the last sentence of (2)(B)(iiii) be rewritten as follows: “The 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.”

Another concern of Sprint’s is the administrative difficulty of refunding to the developer as proposed in section (5) of the rule. There is no need to make such refunds to the developer; he or she may will have the means to recover the cost of line extension in the sale prices of lots and buildings. Although Sprint’s tariffs have included a refund mechanism for customers in certain circumstances, it has become very difficult to track these exceptions.

Otherwise Sprint generally supports the language proposed concerning recovery from developers. We do understand the concern of some parties that it should not be mandatory, however, and suggest replacing the word “must” with “may” as indicated in our attachment.

As requested by Staff at the workshop, Sprint can provide some figures concerning its line extension costs in Washington over the past year. Sprint typically proposes two or three line extensions a month. It is more difficult to quantify a “typical” cost because there is substantial variety in the distance, terrain, and other circumstances surrounding line extensions. The seven completed line extension projects in the past year ranged from just over \$100 to \$1,250 and totaled \$2,695, for an average of \$385. The twenty-three line extensions that were proposed to customers but have not yet been accepted ranged from \$400 to \$12,500 and totaled \$73,600, for an average of \$3,200. These cost figures are based on our current line extension tariff.

Sprint is attaching to these comments a new marked-up version of the proposed rules to reflect Sprint’s further suggestions as to their final form.

Respectfully submitted this 14th day of March, 2000 by

Nancy L. Judy
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