

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: June 14, 2005

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE  June 15, 2005

DATE: June 2, 2005

TO: Public Utility Commission

FROM: Jim Stanage

THROUGH: Lee Sparling through Phil Nyegaard through Lance Ball

SUBJECT: VERIZON NORTHWEST INC.: (Advice No. 854) Adds tariff language to company liability statements concerning commercial power required on customers' premises.

**STAFF RECOMMENDATION:**

Allow the filed tariff to go into effect.

**DISCUSSION:**

Verizon Northwest, Inc., (Verizon) proposes to add liability language regarding commercial power required at the customer premise to operate services of facilities provided by the company. The proposed text changes do not alter any current service rates.

The filing was submitted on May 2, 2005, and thus, complies with Oregon Revised Statutes (ORS) 759.190, which requires tariff filings to be made at least thirty days prior to their effective dates. In addition, ORS 759.175 requires telecommunications utilities to submit tariff filings to the Commission whenever a telecommunications utility intends to change its rates, terms, or conditions of service.

Verizon has started construction in Oregon on a new broadband network that the company has named FIOS. (The name, FIOS, is not an acronym.) FIOS is a fiber to the premise application. Verizon has an extensive inter-office fiber network and is now going the last mile all the way to the customer's home. This new network is capable of providing the ultra- fast broadband speeds up to 30 Mbps, as well as more reliable basic service, and is also capable of providing video programming in the future. Verizon will be passing 34,000 homes in 2005 in the Bull Mountain, Somerset, Aloha and Hillsboro

wire centers. Somerset will be the first office completed with marketing to start at the end of June 2005.

When copper is used for local access lines, the Central Office provides the electrical power and signals to make the line work. The fiber network is different from the copper wire network, which relies on a passive, optical signal, in that the customer will be responsible for providing the electrical power. Electrical power from the customer premise is necessary to continue the conversion of the optical signal to traditional electrical signals at the home or business.

The electrical power at the customer premise will connect to the optical network terminal (ONT) that will convert the optical signal to an electrical signal on Verizon's new broadband network. The ONT is on the outside of the customer premise and is similar in look to a network interface device (NID). Each ONT will consume an average of approximately 20 watts from the customer provided AC outlet. The ONT comes with a battery backup unit in case of power failure. The battery is 12V lead acid similar to batteries that support burglar alarm systems. These batteries are readily available at home and electronic stores. The batteries are monitored by Verizon FIOS support and the company communicates via phone call or email to let the customer know when the battery needs to be replaced.

When the power goes out, a shut-down sequence takes place to preserve local service---Video equals 15 seconds and Data equals 15 minutes, to allow voice to continue until the battery is exhausted. The battery provides approximately 4 hours of continuous talk time.

Customer provided power is already used in the local service market today. Cable companies who provide local service also require the customer to supply power and maintain the back-up battery. When a customer applies for FIOS service, the representative explains the power and battery requirements. Additionally, a "fulfillment package" is sent to the customer explaining how the service works, how the battery is monitored, etc. FIOS service comes with a 24 hour, 7 day a week support center. The battery is monitored by the company and customers are notified when it is time to replace the battery.

This filing will have no revenue effect.

**PROPOSED COMMISSION MOTION:**

Verizon's Advice No. 854 be allowed to go into effect.