

Montana Public Service Commission
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PSC TO REVIEW PROPOSAL FOR PTI RATE CASE SETTLEMENT

The state Public Service Commission will hold a conference Monday, March 4, to review the proposed agreement between PTI Communications and the Montana Consumer Counsel that would settle PTI's pending request before the PSC for a rate increase. The conference will begin at 3 p.m. at the PSC, 1701 Prospect Avenue, in Helena.

Under the terms of the settlement proposal, rates for PTI's business and residential customers would increase by approximately 12 percent in order to allow the company to collect \$1,225,240 in additional revenue. The proposed revenue increase is \$442,691 less than originally requested by PTI. If the PSC approves the proposed settlement, a residential customer subscribing to Valley Wide Calling would see the monthly rate increase from \$13.40 to \$15. The monthly rate for business customers with Valley Wide Calling would increase from \$31.80 to \$35.60.

According to PTI, the rate increase is necessary because, due to growth in the number of access lines beyond 50,000, Federal Communication Commission rules mandate that the company can no longer shift as much of its switching costs to the interstate side of its operations. Also, the amount of local loop costs (the customer's line) recoverable by PTI from the federal Universal Service Fund has been reduced. According to PTI, additional revenue is necessary to bring the company's rate of return back to its previous level.