

April 20, 1998

For more information, contact:
Karen Hammel - 406-444-6179

PSC TO HOLD HEARING STARTING APRIL 22 ON
US WEST'S RATE REBALANCING' PROPOSAL

US West Communications' proposal to restructure its telephone rates will be the topic of a hearing to be held by the state Public Service Commission beginning Wednesday, April 22, at 9 a.m. in the PSC's Bollinger Room, 1701 Prospect Avenue, in Helena.

US West and the Montana Consumer Counsel, which represents residential and small business customers in cases before the PSC, last week submitted a proposed stipulation for PSC approval that would settle most of the issues in the case. Under the terms of the stipulation:

- Flat-rated residential phone service would increase \$1.35 per month on July 1, 1998, and an additional \$1.60 per month on July 1, 1999, for a total increase of \$2.95 per month.
- Measured residential phone service would increase 68 cents per month July 1, 1998, and an additional 80 cents per month on July 1, 1999, for a total increase of \$1.48 per month.
- The two existing rate groups for business customers would be combined into a single rate group, which would result in a rate decrease of \$2.88 per month for many business customers, effective July 1, 1998.
- Low-income customers participating in the Montana Telephone Assistance Program would not see a rate increase.
- Reductions in the carrier access charges that long-distance companies pay to use US West's network would decrease by \$1,025,503, effective July 1, 1999.
- US West's long-distance rates would be restructured, generally reducing prices for calls of longer distances while increasing the price of short-haul calls. This would result in a \$6,380,497 decrease in the company's revenue to be accomplished in two increments -- one in July 1998 and the other in July 1999.

When it filed this case in December 1996, US West proposed to "rebalance" its rates in what it said was an effort to better align its prices with its costs of providing service. Both the company's original filing and the proposed stipulation are revenue neutral -- they would not change the company's Montana revenue because increases in some rates would be offset by reductions in others.

Besides the stipulation, the issue of rate design for payphone providers will be a topic of the hearing. ###