

October 20, 1999

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US WEST TO REDUCE RATES JANUARY 1 TO REFLECT TAX REDUCTION

The Public Service Commission on Monday approved about \$9.8 in annual rate decreases proposed by US West Communications to reflect the substantial reductions in state taxes the company will pay as the result of action by the 1999 Montana Legislature.

Some Montana customers of US West may see little change in their local phone bills, however, because phone bills will include a new 3.75-percent excise tax also enacted by the Legislature to replace the tax revenue lost by the phone company tax reductions.

The rate decreases and the new excise tax will take effect January 1.

As a result of Monday's action, the monthly charge for flat-rate residential service will decrease from \$17.94 to \$16.73. Measured residential service with no monthly usage allowance will decrease from \$10.77 to \$9.56 per month; the measured residential service option with a monthly three-hour call allowance will decrease from \$12.27 to \$11.06 per month.

Business customers with flat-rate service will see their monthly rate reduced from \$36.96 to \$34.21. Measured business service will decrease from \$22.87 to \$20.12 per month.

In addition to the rate reductions for local service, US West will reduce its Montana long distance rates by about \$1.7 million and the rates it charges long distance companies for access to its network by \$1 million. The access charge reductions should result in lower long-distance rates charged to Montana customers by long distance carriers.

The Montana Consumer Counsel, AT&T, Sprint and the Northwest Payphone Association all supported US West's rate reduction proposal.

"I hope the outcome for most Montana customers will be that their phone bills are lower," according to PSC chairman Dave Fisher. "But the results will vary by customer, depending on what telephone products they subscribe to and how they use their phones."

Plans for rate decreases by other Montana phone companies that will benefit from the tax reductions are either under consideration by the PSC or have not been filed.

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