

IURC News Release

Indiana Utility Regulatory Commission

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For Immediate Release

July 28, 2004

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INDIANA UTILITY REGULATORY COMMISSION APPROVES ALTERNATIVE REGULATORY AGREEMENT FOR VERIZON

Today in Cause Nos. 42559 and 42551, the Indiana Utility Regulatory Commission (IURC) approved a settlement agreement, which defines the retail regulatory rules for Verizon Indiana through the end of 2007.

The settlement approved by the Commission has the support of Verizon North and Contel of the South, Inc. D/B/A Verizon North Systems, the IURC negotiating staff, Indiana Office of Utility Consumer Counselor, AT&T Communications of Indiana, GP and TCG Indianapolis.

IURC Chairman Bill McCarty applauds the efforts of all of the settling parties in this time of regulatory uncertainty at the National Level. McCarty says this agreement sets a "higher standard for alternative regulatory agreements in Indiana."

The settlement provides a balance between the interests of the customers and the company, and ensures improved access to high speed services to Hoosiers who live in rural areas.

The benefits to Hoosier ratepayers include:

- **Deployment of High Speed Services**

High Speed Services, infrastructure and technology will be available to 73-percent of Verizon's access lines by December 31, 2007. Forty-percent of the new infrastructure will be deployed in rural areas. Verizon agrees to deploy stand-alone DSL service, where high speed access is available by December 31, 2007. The company will also make customers aware of the availability and benefits of broadband service.

- **Price Caps and Zone Charges**

Verizon will not increase the cost of price primary line residential and primary line business basic local service to its customers throughout this agreement. The 2-dollar zone charge that is currently assessed to some residential and business customers will be eliminated in January 2005.

(more)

- **Service Quality**

Verizon will remain subject to the service quality and billing rules adopted by the Commission. The settlement provides for contractual penalties, if the company fails to meet the IURC's service quality rules. The company will divide its territory into three districts for purposes of quarterly reporting, to provide the commission a more accurate picture of service quality performance results.

- **Consumer Education, Public Safety Information**

Verizon will invest \$800,000 for education information for the public on such topics as slamming, cramming, billing, competition, service lifeline link-up and public safety issues.

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