

IURC News Release

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Indiana Utility Regulatory Commission Approves Extended Service Quality Agreement with Verizon

Today, in Cause No. 43279, the Indiana Utility Regulatory Commission (IURC, Commission) approved a settlement agreement between Verizon and IURC negotiating staff which extends certain service quality standards and sets penalty provisions for Verizon past the current expiration of the company's alternative regulatory plan (ARP). This is a result of a Commission initiated review based on significant concerns about Verizon's compliance with the service quality standards it has operated under since 2004.

As required by HEA 1279 Verizon notified the Commission earlier this year that it did not intend to renew its alternative regulatory agreement with the IURC which ends December 31, 2007. Beginning in 2005 the Commission engaged Verizon in informal discussions regarding the number of complaints from customers about the company's quality of service. The discussions included concerns about the length of time to address customer complaints concerning customer issues (such as static on a line) and out of service situations. After Verizon filed notice that it did not intend to renew its ARP, formal discussions were held between staff and the company. The result is a negotiated formal agreement that establishes service quality standards which will remain in effect until August 31, 2008, which was approved today.

Under the terms of the settlement Verizon agrees to:

1. Install 92% of all primary service installation requests within 5 days where plant is available, and within 30 days where plant is not readily available.
2. Restore 92% of service outages within 24 hours,
3. Fix service affecting problems within 48-hours after customer notifies company.
4. Provide quarterly reports about service related problems to the IURC.
5. Pay penalties in the form of credits to affected customers if the company fails to meet service quality floors of restoring outages within 24 hours 87% of the time based on a statewide three month rolling average.
5. Pay penalties in the form of customer credits when the company fails to restore service affecting problems within 48 hours 85% of the time during a three month rolling average.

The Commission believes the service quality penalty provisions in the settlement agreement should provide Verizon incentive to meet its obligations to its customers on a more consistent basis. The Commission has done everything within its statutory authority to impact the quality of service delivered by Verizon to its customers.

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