

Agenda Date: June 27, 2007
Item Number:

Docket: UT-040788

Companies: Verizon Northwest Inc.

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Background:

On April 12, 2005, the commission adopted Order No. 15 in Docket UT-040788 which approved a proposed settlement among Verizon Northwest Inc. (Verizon), Public Counsel, Commission Staff, AARP, WeBTEC, and the Department of Defense. In so doing, the commission approved an increase in rates for most Verizon business and residential customers. Order No. 15 also approved the reduction of Verizon's Interim Terminating Access Charge (ITAC).

The rate increase included rate elements in two phases to achieve an increase in annual revenues of \$38.65 million by July 1, 2007. The first phase provided an increase in basic line rates for most business and residential customers of \$2.43 per month beginning May 1, 2005. The second phase would include an additional increase of \$1.47 per month to most business and residential basic line rates beginning July 1, 2007. The ITAC rate reduction was also ordered to be effective on July 1, 2007.

Revisions to Verizon's Local Exchange Tariff:

On June 1, 2007, Verizon submitted revised tariff pages under Advice No. 3244 in compliance with the Commission's Order No. 15 in Docket UT-040788 dated April 12, 2005. The overall net revenue effect for Advice No. 3244 is \$13,022,923.

Verizon provided notice to its customers by billing inserts during the May billing cycle. Commission staff has reviewed the tariff filing and finds it in compliance with Commission Order.

The ITAC Rate Reduction:

The ITAC rate reduction was implemented through a tariff sheet revision filed in Docket UT-061008, which involved a line extension cost recovery additive to the existing ITAC. That tariff revision sets the ITAC as a zero rate effective July 1, 2007, and contains a reference to Order No. 15 in Docket UT-040788. The tariff revisions in Docket UT-061008 were allowed to become effective at the commission's July 26, 2006, open meeting. The ITAC rate reduction complies with the requirements of Order No. 15.