

March 27, 2003

Carole Washburn, Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

Re: *AT&T Communications of the Pacific Northwest, Inc. v. Verizon Northwest, Inc.*
Docket No. UT-020406

Dear Ms. Washburn:

Enclosed is a recommended customer notice in the above-captioned case. With respect to the schedule for the public hearing, there must be at least six weeks between the date the Commission approves the customer notice and the date of the public hearing in order for Verizon to notify its customers in a billing insert within its billing cycle. I have been informed by the Administrative Law Judge that the Commission has time available for a public hearing on the evening of Thursday, June 19 or the evening of Friday, June 20, 2003. To maximize public participation, a Thursday evening hearing may be preferable. If the Commission approves the notice by April 10, 2003, the June 19 and 20 dates will work within this schedule. We have no preference as to whether the Commission holds one or two hearings.

I have not heard from Public Counsel whether that office agrees with this recommended notice or proposed schedule.

Very truly yours,

Shannon E. Smith
Assistant Attorney General

cc: Parties
ALJ Schaer

IMPORTANT NOTICE

Proposed Rate Increases Affecting Residential and Business Customers

Information on how you may comment is enclosed

The Washington Utilities and Transportation Commission is reviewing a settlement proposal that would increase rates on basic telephone service and certain other services. The settlement was reached in a complaint case filed by AT&T Communications of the Pacific Northwest, Inc. against Verizon Northwest, Inc. If approved, the proposal would increase residential rates by 6% to 15% and business rates by 8% to 14%. This would partially offset a 60% reduction in Verizon's network access charges – the charges paid by long-distance companies to Verizon. The parties that signed the settlement are AT&T, Verizon, Worldcom, and the Staff of the Utilities and Transportation Commission. The Commission has not yet taken action on the proposed settlement agreement and must do so for it to become effective. The Public Counsel office of the Washington Attorney General, who represents residential and small business customers of Verizon, opposes the settlement agreement.

What effect will this have on my monthly rates?

Residential Local Service Rate Increases – Rates would increase by \$2, except for measured service, as follows:

	Current	Proposed
Residential Basic (One-Party Measured)	\$7.25	\$7.25
Residential Premium (One-Party Flat)	\$13.00	\$15.00
Local Package	\$28.95	\$30.95
Local Package Standard	\$25.95	\$27.95

Business Local Rate Increases – Rates would increase by \$2.50 as follows:

	Current	Proposed
B1-Basic Calling (One-Party Measured)	\$17.70	\$20.20
B1 Premium (One-Party Flat – month)	\$29.70	\$32.20
B1 Premium (One-Party Flat – 1 year)	\$26.00	\$28.50
B1 Premium (One-Party Flat – 3 year)	\$24.00	\$26.50
B1 Premium Plus Flat	\$29.70	\$32.20
B1 Premium Plus Measured	\$29.70	\$32.20
Foreign Exchange	\$29.70	\$32.20
Foreign Central Office	\$29.70	\$32.20

Private Line Increases – Rates would increase as follows:

	Current	Proposed
Special Transport, per airline mile	\$4.45	\$5.12
Special Access Line, 2-wire	\$17.50	\$29.15
Special Access Line, 4-wire	\$26.50	\$45.47
Digital Data Service, Special Access Line	\$91.54	\$105.25

Directory Assistance Allowance Reduction – The number of free directory assistance calls allowed each month would be reduced as follows:

	Current	Proposed
Residence Directory Assistance	2	1
Business Directory Assistance	1	0

Directory Assistance Rate Increases – Rates would increase by \$0.30 per use as follows:

	Current	Proposed
Local Directory Assistance	\$0.95	\$1.25

Late Payment Charge Establishment – Charge would be as follows:

	Current	Proposed
Late Payment Charge	None	1.5%

Also included in the agreement, Verizon will not seek to increase any regulated rate or charge within the state of Washington for one year.

What if I have more questions about the proposal and how it will affect me?

If you have any additional questions about this proposal and how it will affect you, please call your local Verizon Business Office at the number listed on your bill or at the following number: 1-800-???-????

You can get a copy of the proposed settlement and background information on the Commission's web site at this address: www.wutc.wa.gov/020406

How can I comment?

If you would like to comment on this proposal, you may do so by submitting your comments by telephone or in writing at the addresses below:

- By mail - Washington Utilities and Transportation Commission, P.O. Box 47250, Olympia, WA 98504-7250.
- By telephone - 1-800-562-6150 toll-free in Washington.
- By e-mail - comments@wutc.wa.gov.
- By fax - 360-664-3604.

Please include your name and mailing address, and Docket No. UT-020406.

You also can contact the Public Counsel office of the Washington Attorney General, which represents residential and small business customers in utility cases. Public Counsel's customer comment number is (206) 464-6907. Its web site is www.wa.gov/ago.

You also can comment in person at a public hearing of the Commission. To find out the date and location, contact the Commission toll-free at 1-800-562-6150.

Verizon Northwest Inc.