

Idaho Telecommunications

With the passage and signing of House Bill 224 during the 2005 legislative session, local exchange companies operating in Idaho were provided the option of removing their services from rate regulation. Idaho's two largest telecommunications companies, Qwest Communications, both North and South, and Verizon Northwest, lost no time in taking advantage of this option, announcing their election to seek price deregulation shortly after the new legislation became law. In 2007, Citizens Telecommunications, doing business as Frontier Communications of Idaho, also opted into price deregulation.

While the services of all regulated telecommunications companies remain under commission jurisdiction for quality issues, the rate deregulated companies no longer need to seek commission approval to adjust rates. (Qwest South had elected price deregulation for all of its services except basic local exchange service in 1988.) Rate increases are limited, with caps that increase annually, and are eliminated after three years, unless the commission extends them for two additional years. In August of 2008, the three-year transition period with caps expires for Qwest and Verizon.

On June 1, 2007, Qwest increased its basic local exchange rate by 20 percent. In July 2007, Verizon increased its local service rates by 10 percent. In August 2007, Citizens notified the Commission that it would increase its monthly residential rates by 10 percent.

These companies provide service to more than 90 percent of the telephone lines in Idaho, so the overwhelming majority of Idahoan's telephone service is no longer subject to rate regulation.

Case No. VZN-T-07-03, Order No. 30483**January 16, 2008****Verizon must report monthly on northern Idaho outages**

After receiving three separate complaints, the commission ordered Verizon Northwest, Inc. to provide monthly reports on local service outages in the company's Orofino, Peck, Pierce and Weippe exchanges. Further, Verizon is ordered to credit customer bills whose repairs were not made within time limits established in the commission's customer relations rules.

The first complaint came last June from Clearwater Valley Hospital and Clinics in Orofino, which alleged phone service was "either intermittent or non-existent" from June 12-14, 2007. The hospital claimed it was unable to perform critical functions during that time, including calling air ambulance for a critically ill patient, sending radiology images and providing electronic medical record information to physicians. The hospital said it had to rely on a backup radio system that routes calls through Boise and then to Lewiston.

In a report filed with the commission in September, Verizon said a failure of a component in the company's microwave system impacted radio transmissions, causing half the service capacity to be interrupted in the four exchanges. Verizon made repairs, but said the long-term plan for addressing the microwave problem is to add additional high-capacity circuits, with construction beginning in the second quarter of this year.

Since the repairs, Verizon maintained the microwave radio systems have been running error-free. However, while the hospital's complaint was pending, commission staff received two more complaints from within the same Verizon exchanges.

One complaint was lodged Sept. 1 by an assistant fire chief for the Upper Fords Creek Rural Fire Department in Clearwater County who said that emergency 911 service was disabled and not repaired until Sept. 4, after the Labor Day weekend. A second complaint came on Nov. 9 from customers in the Konkolville and Grangemont areas of the Orofino exchange. The customers said local service was disrupted to about 250 to 300 customers. Verizon restored service 25 hours later.

Beginning Feb. 11, Verizon must file monthly service outage reports for the four exchanges and continue doing so until the high capacity circuits are added, the commission said.

The commission criticized the company for waiting through the Labor Day weekend to restore service to the Fire Department. "We find that waiting to restore telephone service until the conclusion of the three-day Labor Day weekend is unreasonable in

light of the minimum repair standards set out,” in the commission’s customer relations rules, the commission said. Commission rules require service restoration within 24 hours during the week and within 48 hours when the outage is reported between noon on Saturday and 6 p.m. on Sunday.

The commission also expressed concern that Verizon is not crediting customers the full amount required when service is not restored within the time limit rules. Verizon said it credited customers, but was not specific as to whether it credited customers the full amount as specified in the commission’s customer service rules. The rules require customers be “automatically credited” with at least one month of local exchange service if service is not restored in a timely manner. Part of the report due the commission must include the total number of customer credits provided.

In 2005, the Idaho Legislature removed much of the commission’s regulatory authority over wireline telephone companies such as Verizon and Qwest, maintaining that because of increased competition, price regulation is no longer required. However, the commission did retain limited regulatory authority over such matters as service quality standards, customer relation rules and billing practices and procedures.

Verizon serves more than 118,000 wireline customers in 34 exchanges in northern Idaho.

August 28, 2008

Case No. SYR-T-08-01, Order No. 30629

Commission designates Syringa Wireless as ETC

Telecommunications companies must apply for and receive commission designation as an Eligible Telecommunications Carrier (ETC) to be eligible for certain federal high-cost funds. ETC designation also qualifies the carrier to receive reimbursements for Idaho Telephone Service Assistance Program (ITSAP) credits that are provided to low-income customers who meet the ITSAP eligibility requirements.

The commission’s order designates Syringa Wireless as a competitive ETC in 32 non-rural exchanges within the Qwest-Southern Idaho territory and in 52 rural exchanges in central and southern Idaho.

Telecommunication Utilities Under PUC Jurisdiction

Albion Telephone Corp (ATC) , P.O. Box 98, Albion, Idaho 83311-0098 **208/673-5335**

Cambridge Telephone Co. P.O.Box 88, Cambridge, Idaho 83610-0086 **208/257-3314**

CenturyTel of Idaho, Inc., P.O.Box 1007, Salmon, Idaho 83467 **208/756-3300**

CenturyTel of the Gem State, P.O.Box 9901, 805 Broadway, Vancouver, WA 98668
360/905-5800

Also: 111 A Street, Cheney, Washington 99114 **509/235-3170**

***Frontier, A Citizens Telecommunications Company of Idaho**

P.O. Box 708970, Sandy, Utah 84070-8970 **801/274-3127**

Local: 201 Lenora Street, McCall, Idaho 83638 **208/634-6150**

Inland Telephone Co., 103 South Second Street, Box 171, Roslyn, WA 98941
509/649-2211

Fremont Telecom, Inc., 110 E. Main Street, St. Anthony, Idaho 83445 **208/624-7300**

Midvale Telephone Exchange, Box 7, Midvale, Idaho 83645-0007 **208/355-2211**

***Verizon Northwest, Inc.**, 20575 N.W. Von Neumann Dr., Hillsboro, OR 97006 **503/629-2285**

Local: 208/765-4351 (Coeur d'Alene); 800/483-4100 (Moscow); 208/263-0557, Ext. 204 (Sandpoint)

Oregon-Idaho Utilities, Inc., 3645 Grand Ave., Ste. 205A, Oakland, CA 94610 **510/338-4621**

Local: 1023 N. Horton St., Nampa, Idaho 83653 **208/461-7802**

Pine Telephone System, Inc., Box 706, Halfway, OR 97834 **541/742-2201**

Potlatch Telephone Company, dba/ TDS Telecom, Box 138, 702 E. Main St.

Kendrick, Idaho 83537 **208/835-2211**

Direct Communications Rockland, Inc., Box 269, 150 S. Main St. Rockland, ID 83271
208/548-2345

Rural Telephone Company, 829 W. Madison Avenue, Glens Ferry, Idaho 83623-2372
208/366-2614

Silver Star Telephone Company, Box 226, Freedom, WY 83120 **307/883-2411**

Columbine Telephone Co. Inc., dba Teton Telecom Box 900, Driggs, Idaho 83422
208/354-3300

***Qwest Communications**, North and South Idaho, Box 7888 (83723) or
999 Main Street, Boise, Idaho 83702 **800/339-3929**

**These companies, which represent more than 90 percent of Idaho customers, are no longer rate regulated.*