(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF U S WEST COMMUNICATIONS, INC.  FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR REGULATED TITLE 61 SERVICES.   | )))))))))) | CASE NO. USW-S-96-5AMENDED NOTICE OF APPLICATIONNOTICE OF PUBLIC HEARINGSORDER 26820 |

On June 28, 1996, U S WEST Communications, Inc. (U S WEST) filed an Application seeking a general increase in its rates for most “Title 61” services.  Title 61 services are generally comprised of basic local exchange services provided to all residential customers and business customers with five or fewer telephone lines.  On August 7, 1996, the Commission issued a Notice of Application suspending the proposed rate increases until evidentiary and public hearings were scheduled.  This Order and Notice outlines the public hearing schedule in the rate case.

AMENDED NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that U S WEST initially sought to increase its annual revenues from Title 61 operations by approximately 58% or $38 million per year.  On November 1, 1996, the Commission issued Order No. 26672 approving the regional calling plan areas in Case No. USW-S-94-4.(footnote: 1)  As part of the approval of that plan, an interim rate increase of $3.62 was added until a permanent rate could be determined in the present rate case, USW-S-95-6.  In its January 28, 1997, rebuttal filing, the Company requested to increase its revenues by 42% or $28.3 million per year.  U S WEST continues to maintain that the existing rates, including the interim EAS increase, produce an unreasonably low return on its Title 61 investment in Idaho.

YOU ARE FURTHER NOTIFIED that U S WEST proposes to obtain a significant portion of the requested revenue by substantially increasing the rates for residential telephone service.  The Company proposed to eliminate the existing three rate groups(footnote: 2) with monthly rates of $10.11, $11.01, or $12.00 for unlimited local calling and to establish two rate groups—customers located inside a regional area and those located outside.   The Company proposes a monthly residential rate of $23.62 inside a calling region and $20.00 outside a calling region.  Thus, according to the Company’s proposal, the existing monthly local residential rates for single-party customers would change as follows:

ExistingProposedIncrease

Rate Group 1:

inside$10.11$23.62$13.51 or 134%

outside$10.11 $20.00$  9.89 or   98%

Rate Group 2:

inside$11.01$23.63$12.61 or 115%

outside$11.01 $20.00$  8.99 or   82%;

Rate Group 3:

inside$12.00$23.62$11.62 or   97%.

This represents an increase in the residential monthly rate for one-party, unlimited local calling ranging from 82% to 134%.  U S WEST proposes to increase these residential rates in three phases over a two-year period beginning in 1997 and ending in 1999.

YOU ARE FURTHER NOTIFIED that the Company proposes to restructure its local monthly single-party business rates for the three rate groups into two rates based on EAS,  inside the EAS regions at $31.10 per month and outside the EAS regions at $28.49.  Business customers in Rate Group 1 would experience a monthly increase of $5.08 (or 19%) inside the EAS regions, and an increase of $2.47 (or 9%) outside the EAS regions.  The monthly rate for single-party business in Rate Group 2 would increase $2.61 (9%) inside the EAS regions, and no increase outside the EAS region.  Rate Group 3 business would not experience any increase in their existing monthly rates of $31.10.

YOU ARE FURTHER NOTIFIED that the Company proposes to increase its monthly rates for measured local service for both its residential and business customers.  Measured service customers pay a monthly flat-charge plus a per-minute usage fee.  The monthly flat charges for residential single-party measured service would increase from the existing levels of $5.19, $5.64 or $6.13 (depending on rate groups) to a uniform monthly rate of $14.13 inside an EAS region, or $12.13 outside an EAS region.  This represents an increase in the monthly measured local residential flat rate ranging from 131% to 172%

YOU ARE FURTHER NOTIFIED that the Company proposes to increase its rates for residential customers eligible for the Idaho Telephone Assistance Program (ITAP) to a uniform monthly rate of $12.00 for unlimited local calling, or depending on if outside or inside an EAS group, $8.00 or $9.00, respectively, for measured local calling.  ITAP assists low income customers who are over 60 years of age by providing eligible residential customers with a monthly credit of $3.50 on their phone bills.  ITAP customers subscribing to measured residential service will receive a 3-hour call allowance and pay the proposed usage rate of $0.03 per minute.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission office.

YOU ARE FURTHER NOTIFIED that U S WEST’s intrastate revenue requirement for Title 61 services and every component of it, including both rate base and expenses, are at issue in this proceeding.  The Commission may grant, deny, or modify the revenue requirement and may find a revenue requirement different from that proposed by any party is just, fair and reasonable.  The Commission may also approve, reject or modify the Title 61 rates and charges proposed in this case and may find them different from the rates and charges proposed by any party.

NOTICE OF PUBLIC HEARINGS

On December 31, 1996, the Commission issued Order No. 26739 setting the technical hearing in this case to commence on Monday, March 10, 1997 at 9:30 a.m. at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho, and will continue that week and the weeks following, as necessary.  The Commission now sets the following public hearings in this case.  The Commission finds there is good cause to schedule the first public hearingon less than fourteen (14) days’ notice.  IDAPA 31.01.01.241.

YOU ARE HEREBY NOTIFIED that publichearings in this Case No. USW-S-96-5 are scheduled to begin as follows:

TUESDAY, MARCH 11, 1997, AT 7:00 P.M.

IDAHO PUBLIC UTILITIES COMMISSION

HEARING ROOM

472 WEST WASHINGTON STREET

BOISE, IDAHO

MONDAY, APRIL 14, 1997, AT 1:30 P.M.

HOLIDAY INN WESTBANK

BONNEVILLE ROOM

475 RIVERPARK WAY

IDAHO FALLS, IDAHO

MONDAY, APRIL 14, 1997, AT 6:30 P.M.

POCATELLO PARK QUALITY INN

1555 POCATELLO CREEK ROAD

POCATELLO, IDAHO

WEDNESDAY, APRIL 16, 1997, AT 6:30 P.M.

COLLEGE OF SOUTHERN IDAHO

SHIELDS BUILDING, ROOM NO. 118

315 FALLS AVENUE

TWIN FALLS, IDAHO

YOU ARE FURTHER NOTIFIED that all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act.  Persons needing the help of a sign language interpreter or other assistance of the kind that the Commission is obligated to provide under the Americans with Disabilities Act in order to participate in or to understand the testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing.  The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION

PO BOX 83720

BOISE, IDAHO  83720-0074

(208) 334-0338  (TELEPHONE)

(208) 334-3151  (TEXT TELEPHONE)

(208) 334-3762  (FAX)

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

O R D E R

IT IS HEREBY ORDERED that there is good cause to set public hearings in this matter as schedule above.  All other deadlines shall remain in full force and effect.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of February 1997.

                                                                                                                                       RALPH NELSON, PRESIDENT

                                                                                            MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

cm\O:usws965.org

**FOOTNOTES**

1:

The following are the exchanges that are included in each of the three EAS calling plans:

Boise region—Boise, Eagle, Idaho City, Middleton, Emmett, Caldwell, Melba, Nampa, Star, Kuna, and Meridian.

Twin Falls region—Twin Falls, Jerome, Buhl, Castleford, Hagerman, Dietrich, Shoshone, Gooding, Bliss, Kimberly, Hazelton, Eden, Murtaugh, and Wendell.

Eastern Idaho region—Pocatello, Inkom, American Falls, Lava Hot Springs, McCammon, Downey, Grace, Bancroft, Soda Springs, Idaho Falls, Rigby, Ririe, Roberts, Blackfoot, Shelley, Firth,  Rexburg, Preston and Montpelier.

2:

Rate Group 1: American Falls, Bancroft, Bliss, Buhl, Castleford, Dietrich, Grace, Idaho City, Montpelier, Rate Group 2: Blackfoot, Burley, Declo, Eden-Hazelton, Emmett, Glenns Ferry, Gooding, Hagerman, Hailey, Jerome, Ketchum, Kimberly, Melba, Mountain Home, Murtaugh, New Plymouth, Payette, Rexburg, Twin Falls, and Wendell.

Rate Group 3: Boise, Caldwell, Downey, Eagle, Firth, Idaho Falls, Inkom, Kuna, Lava Hot Springs, McCammon, Meridian, Middleton, Nampa, Pocatello, Rigby, Ririe, Roberts, Shelley, and Star.

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

February 28, 1997