

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF

FROM: DON HOWELL

DATE: JULY 8, 2005

SUBJECT: VERIZON NORTHWEST'S NOTICE OF ELECTION FOR PRICE
DEREGULATION, CASE NO. VZN-T-05-4

On July 7, 2005, Verizon Northwest submitted a "Notice of Election" that it intends to remove its telecommunications services currently price regulated under Title 61 and have those services regulated under Title 62. The 2005 Session of the Idaho Legislature amended *Idaho Code* § 62-605 to allow a telephone corporation to remove all of its services, including basic local exchange service, from price regulation by the Commission. Verizon provides local exchange services, toll services, and intrastate access in 31 exchanges located in northern Idaho.

In its Notice, Verizon elects to "exempt all intrastate services from [Title 61] regulation." Verizon indicates that it will subsequently file "price lists" with the Commission effective August 8, 2005. A copy of the Verizon Notice is attached for your review.

STAFF RECOMMENDATION

Conspicuously absent in Verizon's Notice is any indication whether it intends to change any rate for its telecommunications services. Based upon Staff's inquiry, a Verizon representative said that the Company does not intend to change any rates. Consequently, Staff recommends that the Commission issue a "Notice of Election" advising the public that Verizon has elected to price deregulate its services and have them regulated under Title 62. This procedure would be similar to the Notice that the Commission issued in March 1989 when Qwest elected to remove its telecommunications services (except local service) from the Commission's Title 61 rate regulation.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Election?



Don Howell

bls/M:VZNT0504_dh

David S. Valdez
Vice President
Public Policy & External Affairs

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IDAHO PUBLIC
UTILITIES COMMISSION



July 7, 2005

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1800 41st Street
P.O. Box 1003
Everett, WA 98201

Phone 425 261-5691
Fax 425 261-5262

President Paul Kjellander
Idaho Public Utilities Commission
472 W. Washington
Boise, Idaho

V-2N-T-05-04

Dear Mr. Kjellander:

Subject: Verizon Northwest Inc. Notice of Election to the Provisions of Title 62-605

Verizon Northwest Inc. ("Verizon NW"), a Washington Corporation located at 1800 41st Street, Everett, Washington, hereby provides notice of election to be subject to the provisions of Chapter 6, Title 62, Idaho Code for all of its telecommunications services currently under Title 61.

Verizon NW provides retail wireline telecommunications services, including basic local exchange services, custom calling services, in-region (intraLATA) long distance, directory assistance, and an array of data services. The Company also provides switched and special access services to other carriers, as well as wholesale services required of it under the Telecommunications Act of 1996 and related Federal Communications Commission Rules. Verizon operates in 31 exchanges in the "panhandle" region of Northern Idaho.

Pursuant to section 62-605 of Idaho code, Verizon intends to exempt all intrastate services from regulation. This includes the following tariffs and all services contained within:

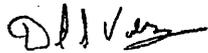
Idaho PUC No. 7- Intrastate Toll Services
Idaho PUC No. 8- Local Network Access Services
Idaho PUC No. 9- Facilities for Intrastate Access

As a result of Verizon NW's election to be subject to the provisions of Chapter 6, Title 62, the Company will file price lists with the Commission for its telecommunications services with an effective date of August 8, 2005.

Mr. Paul Kjellander
July 7, 2005

If there are questions, please contact Renee Willer at (503) 645-7909 or Schelly Jensen at (503) 629-2338.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. S. Valdez", with a stylized flourish at the end.

David S. Valdez

DSV:kad
Enclosures