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NEWS RELEASE

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PUC TO TAKE PUBLIC COMMENT ON QWEST'S PROPOSED RESIDENTIAL BASIC SERVICE RATE INCREASE

DENVER – The Colorado Public Utilities Commission (PUC) will take public comment from 4-6 p.m. on Wednesday, May 27 on Qwest's proposal to increase its stand-alone basic residential telephone rates in Colorado by 14 percent.

The public hearing will be held in Hearing Room A at the PUC, 1560 Broadway, Suite 250, in Denver.

Qwest's proposal would raise the basic residential service rate to \$16.99 per month, excluding taxes and fees, an increase of \$2.11 per month over the current rate. The proposed change would not affect customers that purchase residential service as part of a package.

On July 1, 2008, a new law lifted the statutory rate cap on basic residential telephone service, which froze basic residential rates at \$14.88 in 1995 as part of the opening of Colorado's local telephone market to competition. Under the new law, the PUC has the authority to determine the maximum basic residential rate based on each provider's costs and revenues, the average national price for comparable service, and flexible-pricing options.

In its application, Qwest is asking the PUC to set a new residential rate cap at \$18.24 per month, even though the company is only seeking to raise its monthly rate to \$16.99. The higher cap would allow Qwest to seek a future rate increase.

Qwest also is proposing to increase the price for basic measured rate service and basic message rate service from \$9.48 to \$11 per month, an increase of 16 percent. In total, Qwest estimates that the changes would provide approximately an additional \$14.9 million in revenue per year.



Individuals who wish to submit written comments about the proposal may send them to the PUC, 1560 Broadway, Suite 250, Denver, CO 80202 by May 29. Comments should be addressed to Docket No. 08A-403T. Comments may also be submitted electronically via the PUC website.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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