

IURC News Release

Indiana Utility Regulatory Commission
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For Immediate Release

June 30, 2004

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IURC APPROVES ALTERNATIVE REGULATORY AGREEMENT FOR SBC INDIANA

Today, in Cause No. 42405, the Indiana Utility Regulatory Commission (IURC) approved the alternative regulatory settlement agreement, which defines the retail regulatory rules for SBC Indiana for the next three years.

The settlement agreement approved by the Commission has the support of SBC, the Intelenet Commission, Indiana Office of Utility Consumer Counselor, Citizens Action Coalition, the IURC negotiating staff and United Senior Action of Indiana, Inc.

The Commission applauds the efforts of all parties in this complex case. "This settlement was reached against the backdrop of turmoil and regulatory uncertainty at the National level," said Chairman Bill McCarty.

There are a number of elements in the agreement that benefit SBC Indiana customers. The agreement maintains most residential prices, and includes additional commitments for broadband deployment in rural areas.

McCarty says, "The Commission believes the agreement enhances consumer protection, gives SBC Indiana the ability to react to the competitive market, and will boost Indiana's economic recovery."

Consumer benefits in the agreement include:

- **Infrastructure Deployment**

High speed services will be available to 77% of all customer living units by June 30, 2008. The areas for the deployment will be left to the discretion of SBC, but 30% of the new deployment will be in rural areas.

- **Service Quality**

Service quality standards will be implemented which exceed the industry standards set by the IURC, and provide for contractual penalties of up to \$30 million annually for failure to meet service quality standards, plus individual customer credits for missed installation commitments, missed repair commitments and out-of-service greater than 24-hours.

- **Consumer Safeguards**

Provides for ongoing Commission oversight of service quality through monthly service quality reports and quarterly service quality meetings with the Commission Staff and the OUCC.

(More)

- **Price Caps**

Basic line costs for residential or business customers with 4 or fewer lines will not increase during the term of the agreement, and reductions achieved in the OI 2000 agreement will remain in place. Also, SBC agrees not to raise costs for individual optional services, such as call waiting, call forwarding, speed calling and three-way calling more than 38-cents per feature per year.

- **Telephone Exchange Rate Class Reclassifications**

Should a telephone exchange area grow, the company may petition the Commission to reclassify the exchange, but may not increase related customer costs until the end of the agreement.

- **Consumer Education, Public Safety Information**

SBC will invest \$850,000 for educational information to be made available to the public on such topics as slamming, cramming, billing, competition, service, lifeline link-up and public safety issues.

Nothing in the agreement prevents the Commission from fulfilling its statutory obligations and carrying out any mandates from the Federal Telecommunications Act.

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