

## **Good News for Consumers**

On Friday July 9<sup>th</sup> 2004 the New Hampshire Public Utilities Commission issued an order in Docket DT 02-165 which is very favorable to New Hampshire consumers. The Commission order requires Verizon to credit approximately \$23.3 Million of yellow page publishing profits to Verizon's New Hampshire regulated local telephone business on an annual basis retroactive to 1999. This order helps insure that Verizon's New Hampshire local telephone rates will not increase for now.

Parties participating in this docket who requested the multi-million dollar customer benefit were: members of the Commission's Telecommunications Staff; the New Hampshire Office of Consumer Advocate; and Destek Networking group.

In a 139 page Order the Commission disposed of numerous complex legal arguments, required imputation of yellow pages revenues on an annual basis, and imposed a \$1000 fine on Verizon.

Revenue sharing payments to New England Telephone (Verizon's predecessor company) stopped in January of 1999 as a result of an Amendment to an earlier affiliate publishing agreement. The 1999 amendment was never filed with the Commission and Verizon never informed the Commission of the amendment. Although Verizon argued that it filed periodic financial information which showed Commission Staff that revenue sharing had been terminated, the Commission said "such general financial information is not a substitute for the specific information required to be filed by the statute" and that Commission Staff is "not expected to cure a utility's lack of compliance with filing requirements." The Commission went on to say that "[f]ull and accurate disclosure of all required information is necessary; without it, the regulatory process would cease to function in a meaningful way."

The Commission found that Verizon's current affiliate publishing agreement contains "wholly inadequate and insufficient compensation terms" to compensate Verizon NH for the value of the association of the yellow pages directory with Verizon NH.

Verizon has thirty days to ask for reconsideration of the order, the first step in an appeal to the NH Supreme Court.

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Please refer to our website for more information.

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