

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

Delta Phones, Inc.,	)	
	)	
Complainant,	)	
	)	
v.	)	Case No. TC-2004-0064
	)	
Southwestern Bell Telephone Company, L.P.,	)	
d/b/a Southwestern Bell Telephone Company,	)	
	)	
Respondent.	)	

**RESPONSE OF SOUTHWESTERN BELL TELEPHONE, L.P.  
TO COMPLAINANT’S STATEMENT OF  
DISPUTED AND UNDISPUTED CHARGES**

COMES NOW Southwestern Bell Telephone, L.P. d/b/a SBC Missouri (“SBC Missouri”), and for its Response to Complainant’s statement of disputed and undisputed charges states as follows:

1. In its Order Regarding Complaint issued on August 19, 2003, the Missouri Public Service Commission (“Commission”) required Delta Phones, Inc. (“Delta Phones”) and SBC Missouri to file a statement of the disputed and undisputed charges for service. SBC Missouri filed its Response on August 26, 2003 (“SBC Missouri Response”). In that Response, SBC Missouri supplied affidavits which established that since November, 2002, when Delta Phones was last current on its obligation under its Interconnection Agreement, SBC Missouri demonstrated that Delta Phones has an unpaid balance of \$1,438,076.06 as of August 19, 2003. SBC Missouri also pointed out that, pursuant to Delta Phones own Complaint, only \$554,964.34 is in dispute. (SBC Missouri Response, para. 2). Accordingly, there is an undisputed balance of \$883,111.72. (Id.).

2. After receiving an extension of time from the Commission, Delta Phones’ statement of disputed and undisputed charges was filed on August 29, 2003 (“Delta Phones

Statement”). That purported Statement failed to comply with the Commission’s Order since Delta Phones admits that it has not included any charges included in bills issued after March, 2003.

(Delta Phones Statement, para. 1). During this period of time, SBC Missouri has issued bills to Delta Phones in an amount exceeding \$1,142,000, and has received no payment whatsoever.

(SBC Missouri Response, para. 3). Delta Phones has completely failed to comply with the Commission’s Order as it has not provided any information on the undisputed or disputed amounts due since March, 2003.

3. Delta Phones’ apparent justification for refusing to comply with the Commission’s Order is its claim that it received paper billings in April and May, 2003, but no billings thereafter. (Delta Pones Statement, para 1). This assertion is false, and is typical of the cavalier attitude exhibited by Delta Phones towards the facts. Delta Phones provides service to its Missouri customers both through the resale of SBC Missouri’s service and through the purchase of unbundled network elements (“UNEs”) from SBC Missouri. Separate consolidated bills are issued for resold and UNE services. Since well before this dispute arose, Delta Phones has been sent electronic bills for resold services. Those bills have been provided in the normal course of business to Delta Phones and include the period April - August, 2003. Thus, contrary to Delta Phones’ claim, it has continued to receive electronic bills for the resold services provided by SBC Missouri. With regard to UNE bills, paper bills have been provided on a routine monthly basis starting with the initial bill for UNE services issued in April, 2003.<sup>1</sup> Moreover, electronic versions of these bills were sent via overnight mail delivery on a CD-ROM on three occasions in July-August, 2003. Contrary to its claims, Delta Phones has received billings for the amounts shown by SBC Missouri in its Response to the Commission’s Order Regarding Complaint for the period April - August, 2003. Accordingly, Delta Phones’ claim that it cannot provide a statement of

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<sup>1</sup> Delta Phones requested that these bills be sent through an electronic connection call “Network Data Mover,” but Delta Phones has yet to successfully test and implement this method for receiving its UNE bills.

disputed and undisputed amounts covering the period April - August, 2003, because it has not been billed for the period, is simply false.

4. Delta Phones purports to show a small amount of “undisputed” charges in the schedule to its statement. As noted above, however, that statement completely ignores billings in excess of \$1.1 million since March, 2003. Moreover, the information actually provided by Delta Phones explains nothing with regard to the amounts disputed and is an inaccurate and incomplete recitation of the billings sent.

5. As SBC Missouri has pointed out on numerous occasions, the provisions of the Interconnection Agreement between Delta Phones and SBC Missouri require (a) payment of undisputed charges and (b) escrow arrangements for any disputed amounts. (Interconnection Agreement, Attachment D, Sections 9.3 and 10.4.1). Delta Phones’ failure to comply with the Commission’s Order Regarding Complaint points out again the importance of enforcing this contractual provision. Delta Phones continues to receive service from SBC Missouri and continues to refuse to pay any amount since the end of March, 2003. And despite more than \$1.1 million in billed charges since that time, Delta Phones refuses to categorize those amounts as either undisputed or disputed since it falsely claims it has not reviewed the bills or that it has not received bills.

6. Delta Phones is attempting to utilize the regulatory process to avoid compliance with the terms of its Interconnection Agreement. It has been ordered to comply with the escrow arrangements in Arkansas, Kansas and Oklahoma, but has refused to do so. (SBC Missouri Response, para. 6). In Texas, the arbitrator assigned to review the Complaint determined that the vast majority of Delta Phones’ “dispute” lacked substantive merit. (Id.).

7. It is time to end this charade. Delta Phones continues to collect charges from its own customers, but refuses to pay SBC Missouri for the service it is receiving. It has claimed

alleged “disputes,” but has refused to pay the undisputed amounts or to escrow the disputed amounts as required by the terms of the Interconnection Agreement approved by the Commission. Delta Phones’ tactics have the effect of increasing SBC Missouri’s financial exposure while providing no assurance of payment if Delta Phones’ disputes are shown to be without merit. Accordingly, the Commission should modify its Order Regarding Complaint by eliminating the restriction on terminating service or, at the least, conditioning that restriction on Delta Phones’ compliance with the terms of the Interconnection Agreement with payment of undisputed charges and escrow arrangements for any disputed amounts to be made within three days.

WHEREFORE, for all the foregoing reasons, SBC Missouri respectfully requests the Commission to modify its Order Regarding Complaint by eliminating the restriction on terminating service or conditioning that restriction on Delta Phones’ compliance with the terms of the Interconnection Agreement, including payment of undisputed charges and escrow arrangements for any disputed charges within three days.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE, L.P.  
D/B/A SBC MISSOURI

BY 

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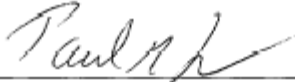
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## CERTIFICATE OF SERVICE

The undersigned certifies that a copy of this document was served on all counsel of record by electronic mail on September 8, 2003.



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