

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

Office of the Public Counsel's Petition for	)	
Promulgation of Rules Relating to	)	Case No. AX-2010-0061
Billing and Payment	)	
Standards for Residential Customers	)	

**AT&T'S RESPONSE TO PUBLIC COUNSEL'S  
PETITION TO PROMULGATE BILLING AND PAYMENT RULES**

AT&T Missouri,<sup>1</sup> respectfully opposes the Office of the Public Counsel's ("Public Counsel's") suggestion that new billing and payment rules need to be imposed on the telecommunications industry.

In addition to the proposed rules being unnecessary, Missouri statutes limit the Missouri Public Service Commission's ("Commission's") jurisdiction to impose such billing rules and pricing restrictions on the telecommunications industry. Adopting the rules Public Counsel has proposed would impose significant additional costs on telecommunications service providers, put upward pressure on consumer pricing, and would likely lead to a reduction in the choices consumers have today for paying their bills.

1.     New Telecommunications Billing Rules are Unnecessary. In today's telecommunications market in Missouri, customer choice dominates: choice of service provider, choice of service technology (e.g., traditional landline, wireless, VoIP), and choice of service plan. Numerous competitors continually vie to be the customers' telecommunications provider, both in the residential and business spaces. Because of this choice, the Missouri Legislature has significantly reduced the level of regulation over telecommunications companies. The

---

<sup>1</sup> Southwestern Bell Telephone Company, d/b/a AT&T Missouri, will be referred to in this pleading as "AT&T Missouri."

Legislature has recognized that traditional regulation is unnecessary because customers, if dissatisfied with one company's services, rates or practices, can simply switch service providers.

Conversely, service providers are acutely aware of the many competitive alternatives that exist in Missouri's telecommunications market. Carriers today know that inferior service, high rates, or unreasonable business practices will only drive customers away. Such self-policing, driven by the market, makes added regulation unnecessary.

Contrary to a claim in Public Counsel's petition, AT&T Missouri has not "added a monthly fee of \$2.49 if the customer wants monthly paper bills rather than electronic bills (e-bill)." <sup>2</sup> AT&T Missouri does not charge any of its local residential customers for a paper bill. While it does provide an option for an electronic billing, both options are free. AT&T Missouri believes OPC may mistakenly be referring to a fee AT&T Communications of the Southwest, Inc. -- acquired by SBC Communications Inc. in 2005 -- charged for putting its long distance charges on another telephone company's bill (e.g., SWBT before the merger). This fee helped AT&T Communications recoup the billing and collection charges it had to pay other telephone companies for this 3<sup>rd</sup> party billing service. This fee, however, did not apply to customers that also had AT&T Communications as their local provider or if the customer elected to receive a separate paper bill directly from AT&T Communications (i.e., there was no charge for receiving an AT&T bill). After SBC's acquisition of AT&T and the integration of the companies, this charge is rarely applied as most of AT&T's long distance customers now receive local service from an AT&T affiliate (e.g., AT&T Missouri). And even when the charge for this long distance service billed on a 3<sup>rd</sup> party bill continues to apply, the customer can eliminate it by electing to

---

<sup>2</sup> OPC Petition, p. 5.

receive a separate paper bill directly from AT&T. In other words, as long as the customer receives an “AT&T” bill, there is no charge.<sup>3</sup>

2. Imposition of Billing Rules on Telecommunications Companies Exceeds the Commission’s Authority.

The Legislature, through HB 1779, expressed a clear intent for telecommunications companies to be relieved of Commission regulation concerning billing standards. Section 392.420 RSMo. requires the Commission to waive the application and enforcement of its billing standards rules for all new and existing alternative local exchange telecommunications companies. It also allows incumbent providers to opt into such waivers when an alternate provider is authorized to provide basic local telecommunications service in the incumbent’s authorized service area or when an interconnected VoIP provider registers to provide service in an incumbent’s authorized service area. In addition, Section 392.245.5(8) RSMo. provides that “An incumbent local exchange telecommunications company deemed competitive under this section and all alternative local exchange telecommunications companies shall not be required to comply with customer billing rules . . .” Missouri law, does however, make clear that federal Truth-in-Billing rules continue to apply.

3. The Proposed Pricing Restrictions Exceed the Commission’s Authority for the Vast Majority of Telecommunications Companies.

Virtually all telecommunications companies in Missouri are competitively classified with pricing flexibility to establish and modify prices as they deem appropriate in the competitive marketplace. There are only a few companies that are price cap regulated whereby they have significant pricing flexibility. The remaining few companies remain rate of return regulated where their rates are modified as deemed appropriate during a rate case. As such, OPC’s

---

<sup>3</sup> Some large business customers have agreed to electronic billing as part of their contractual service package. For such business customers, there would be an extra charge to obtain a paper copy of the bill.

proposed pricing restrictions are either unlawful, in the case of price cap and competitive companies, or unnecessary, in the case of the few rate of return regulated companies.

Furthermore, in the telecommunications marketplace, consumers have choices among service providers thus making OPC's proposed pricing restrictions at best unnecessary, and, at worst, potentially harmful to the marketplace.

Not only are Public Counsel's proposed pricing restrictions unlawful and unnecessary, but they may also be harmful to consumers. Public Counsel's proposal to prohibit utilities from assessing separate fees or charges for utilizing alternative methods to pay a bill ignores the reality that providing additional options to customers imposes additional costs. For example, AT&T Missouri applies a small convenience fee that is assessed when a customer chooses to utilize a service representative to pay a bill using a credit card. This option, however, is not the only method for paying bills. Customers can mail their payments; have their payments debited from their bank accounts; pay their bill online; automatically charge their payments to a credit card; or pay their bill over the phone using an auto attendant (i.e., it is the customer that enters the credit card digits via the telephone dial pad). All of these methods for paying bills are free. It is only when the customer has a service representative enter the credit card digits into the system, that the customer is charged the convenience fee. This charge is not unreasonable, as it simply helps the company cover the cost of this additional payment option. Rules prohibiting the sharing of such costs with the consumers who cause such costs through small fees will discourage companies from making such options available and may either lead to a reduction in the choices consumers have today for paying their bills or increase costs generally on the majority of customers who elect free options for paying their bills.

4. The Proposed Rules would add Unneeded Costs.

Adopting the rules Public Counsel has proposed would impose significant additional costs on telecommunications service providers. For example, Public Counsel's proposal to require utilities to establish customer service centers "throughout the service territory"<sup>4</sup> would require companies to obtain office space, properly furnish and equip the offices, and dedicate staff and support personnel to maintain the centers. This proposal would be very costly, especially to the larger companies that operate throughout the State (AT&T Missouri provides service in 160 exchanges which encompasses hundreds of communities; the AT&T long distance companies provide service in even more communities) or that have customers spread out geographically. While a manned local office may be practical for companies whose service territory is confined to limited geographic areas, such a requirement would be cost prohibitive for larger companies or companies serving customers in disparate geographies. Such companies, like AT&T Missouri, have found it more efficient to establish call centers to make its business office services (e.g., billing, repair and sales) accessible to all its customers via toll free numbers and to establish online support systems for customers with access to the Internet. A requirement to set up local business offices would be duplicitous and impose unnecessary costs that would put added upward pressure on customer rates.

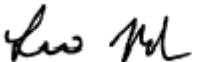
WHEREFORE, AT&T Missouri respectfully requests the Commission to deny Public Counsel's request to promulgate additional billing and payment rules relating to the telecommunications industry.

---

<sup>4</sup> OPC Petition, p. 19.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY,  
D/B/A AT&T MISSOURI

BY   
LEO J. BUB #34326  
ROBERT J. GRYZMALA #32454

Attorneys for AT&T Missouri  
One AT&T Center, Room 3518  
St. Louis, Missouri 63101  
314-235-2508 (Telephone)/314-247-0014(Facsimile)  
[leo.bub@att.com](mailto:leo.bub@att.com)

**CERTIFICATE OF SERVICE**

Copies of this document were served on the following parties by e-mail on August 31, 2009.

  
\_\_\_\_\_  
Leo J. Bub

General Counsel  
Missouri Public Service Commission  
PO Box 360  
Jefferson City, MO 65102  
[general.counsel@psc.mo.gov](mailto:general.counsel@psc.mo.gov)

Public Counsel  
Office of the Public Counsel  
PO Box 7800  
Jefferson City, MO 65102  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)