TX-2000-166

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 33—Service and Billing Practices for Telephone Utilities

PROPOSED RESCISSION

4 CSR 240-33.070 Discontinuance of Service. This rule prescribed the conditions under which service to a customer might be discontinued and procedures followed by telephone utilities and customers regarding these matters so that reasonable and uniform standards existed for the discontinuance of service.

PURPOSE: This rule is being rescinded and resubmitted to avoid confusion because of the many changes being proposed.

AUTHORITY: sections 386.040, 386.250 and 392.200, RSMo 1986. Original rule filed Jan. 14, 1977, effective Oct. 1, 1977. Amended: Filed July 5, 1983, effective Feb. 11, 1984. Emergency amendment filed Dec. 20, 1983, effective Jan. 1, 1984, expired Feb. 11, 1984. Rescinded: Filed Aug. 26, 1999.

PUBLIC ENTITY COST: This proposed rescission will not cost state agencies or political subdivisions more than $500 in the aggregate.

PRIVATE ENTITY COST: This proposed rescission will not cost private entities more than $500 in the aggregate.

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file a statement in support of or in opposition to this proposed rescission with the Missouri Public Service Commission, Dale Hardy Roberts, Secretary, P.O. Box 360, Jefferson City, MO 65102, (573) 751-3234. To be considered, comments shall be filed on or before November 12, 1999. Comments should refer to Case No. TX-2000-166, and be filed with an original and fourteen copies. A public hearing is scheduled for November 15, 1999, at 9:00 a.m. in room 520B of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri, for interested persons to appear and respond to commission questions.

SPECIAL NEEDS: Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten days prior to the hearing at one of the following numbers: Consumer Services Hotline 1-800-392-4211, or TDD Hotline 1-800-829-7541.

Title 4—DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240—Public Service Commission
Chapter 33—Service and Billing Practices for *[Telephone Utilities]* *Telecommunications Companies*

PROPOSED RULE

4 CSR 240-33.070 Discontinuance of Service to Residential Customers

PURPOSE: This rule prescribes the conditions under which service to a residential customer may be discontinued and procedures to be followed by telecommunications companies and residential customers regarding these matters so that reasonable and uniform standards exist for the discontinuance of service.

(1) Telecommunications service may be discontinued for any of the following reasons:

(A) Nonpayment of a delinquent charge except as limited by sections (2), (3) and (4) of this rule;
(B) Failure to post a required deposit or guarantee;
(C) Unauthorized use of telecommunications company equipment in a manner which creates an unsafe condition or creates the possibility of damage or destruction to such equipment;
(D) Failure to comply with terms of a settlement agreement;
(E) Refusal after reasonable notice to permit inspection, maintenance or replacement of telecommunications company equipment;
(F) Material misrepresentation of identity in obtaining telecommunications company service; or
(G) As provided by state or federal law.

(2) Basic local telecommunications service may not be disconnected for customer nonpayment of a delinquent charge for other than basic local telecommunications services. The failure to pay charges not subject to commission jurisdiction shall not constitute cause for a discontinuance of basic local telecommunication service.

(3) Basic local telecommunications service shall not be discontinued on a day when the offices of a telecommunications company are not available to facilitate reconnection of basic local telecommunications service or on a day immediately preceding such day.

(4) Telecommunications service shall not be discontinued under section (1) of this rule unless written notice by first-class mail is sent or delivered to the customer at least ten (10) days prior to the date of the proposed discontinuance. Service of notice by mail is complete upon mailing. As an alternative, a telecommunications company may deliver a written notice by hand to the customer at least ninety-six (96) hours prior to discontinuance.

(5) A notice of discontinuance shall contain the following information:

(A) The name and address and the telephone number of the customer;
(B) A statement of the reason for the proposed discontinuance and the cost for reconnection;
(C) The date after which service will be discontinued unless appropriate action is taken;
(D) How a customer may avoid the discontinuance;
(E) The customer's right to enter into a settlement agreement if the claim is for a charge not in dispute and the customer is unable to pay the charge in full at one time;
(F) The telephone number where the customer may make an inquiry;
(G) A statement that this notice will not be effective if the charges involved are part of an unresolved dispute; and
(H) A statement of the exception for medical emergency under section (7) of this rule.

(6) At least twenty-four (24) hours preceding a discontinuance of basic local telecommunications service, a telecommunications company shall make reasonable efforts to advise the customer of the proposed discontinuance and what steps must be taken to avoid it. Reasonable efforts shall include either a written notice following the notice pursuant to section (4), a door hanger or at least two (2) telephone call attempts reasonably calculated to reach the customer.

(7) Notwithstanding any other provision of this chapter, a telecommunications company shall postpone a discontinuance for a time not in excess of twenty-one (21) days if service is necessary to obtain emergency medical assistance for a person who is a member of the household where the telephone service is provided and where such person is under the care of a physician. Any person who alleges such emergency, if requested, shall provide the

telecommunications company with reasonable evidence of such necessity.

(8) Upon the customer's request, a telecommunications company shall restore service consistent with all other provisions of this chapter when the cause of discontinuance has been eliminated.

(9) Payment by personal check may be refused if the customer, within the last twelve (12) months, has tendered payment in this manner and the check has been dishonored, except when the dishonor is due to bank error.

AUTHORITY: sections 386.040, RSMo 1994, 386.250 and 392.200, RSMo Supp. 1998. Original rule filed Jan. 14, 1977, effective Oct. 1, 1977. Amended: Filed July 5, 1983, effective Feb. 11, 1984. Emergency amendment filed Dec. 20, 1983, effective Jan. 1, 1984, expired Feb. 11, 1984. Rescinded and readopted: Filed Aug. 26, 1999.

PUBLIC ENTITY COST: This proposed rule will not cost state agencies or political subdivisions more than $500 in the aggregate.

PRIVATE ENTITY COST: This proposed rule is estimated to cost private entities $35,985,780 in the aggregate.

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file a statement in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Dale Hardy Roberts, Secretary, P.O. Box 360, Jefferson City, MO 65102, (573) 751-3234. To be considered, comments shall be filed on or before November 12, 1999. Comments should refer to Case No. TX-2000-166, and be filed with an original and fourteen copies. A public hearing is scheduled for November 15, 1999, at 9:00 a.m. in room 520B of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri, for interested persons to appear and respond to commission questions.

SPECIAL NEEDS: Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten days prior to the hearing at one of the following numbers: Consumer Services Hotline 1-800-392-4211, or TDD Hotline 1-800-829-7541.

FISCAL NOTE
PRIVATE ENTITY COST

I. RULE NUMBER

Title: 4 – Department of Economic Development

Division: 240 – Public Service Commission

Chapter: 33 – Service and Billing Practices for Telecommunications Companies

Type of Rulemaking: Proposed Rule

Rule Number and Name: 4 CSR 240-33.070 Discontinuance of Service to Residential Customers

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification* by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
4	Class A Local Telephone Companies	$27,865,040 (See worksheet Item 1A)
8	Class B Local Telephone Companies	$579,580 (See worksheet Item 1B)
1	Class C Local Telephone Companies	$41,160 (See worksheet Item 1C)
(see Worksheet Item No. 4)	Class Interexchange Companies	$4,500,000 (See worksheet Item 1D)
1	Class Payphone Providers	$3,000,000 (See worksheet Item 1E)
14 + (see Worksheet Item No. 4)	All entities	$35,985,780

* Class A Telephone Companies are incumbent local telephone companies with more than $100,000,000 annual revenues system wide; Class B Telephone Companies are incumbent local telephone companies with $100,000,000 annual revenues or less system wide; Class C Local Telephone Companies are all other companies certificated to provide basic local exchange telecommunications services, Class Interexchange Companies are long distance providers; Class Payphone Providers are private payphone providers.

III. WORKSHEET

1. A draft of the proposed rule was distributed to Class A Telephone Companies, Class B Telephone Companies, Class C Local Telephone Companies, Class Interexchange Companies, and Class Payphone Providers certificated by the Missouri Public Service Commission as of June 1998. These companies were requested to review the rule and provide any projected fiscal impact projections, should the rule be approved as drafted. The above information reflects the responses of these companies.

A. Class A Companies

i. SWBT estimates that $25,211,040 would be spent to make two additional phone calls before customer disconnection for nonpayment.

ii. Sprint estimates that five more days more before basic local can be disconnected will cost $2.5 million, two additional telephone calls prior to service disconnection would cost $65,000, and programming changes would cost $89,000.

B. Class B Companies

i. BPS Telephone Company estimates that written notice or two phone calls before disconnection of service would cost it $8,750.

ii. Citizens' Telephone Company estimates that this rule would cost $1,000 to allocate payments between local and toll and $1,800 for two telephone call attempts before disconnection of service.

iii. Farber Telephone Company estimates that two extra telephone calls before disconnection would cost it $28 (or $1,680 for five years).

iv. Kingdom Telephone Company estimates that this rule would cost $500 to allocate payments between local and toll and the full service denial provision (2) would cost it $500,000 (over $100,000 per year). Two telephone calls prior to disconnection would cost it $3,540.

v. Green Hills Telephone Company estimates that the number of unpaid accounts from giving 10 days notice instead of five would increase and cost it $3,600. Green Hills also estimates that two calls prior to disconnection would cost it $5,550.00

vi. NEMO estimates that the rule would cost it $12,000 for two telephone calls prior to disconnection.

vi. Mark Twain Communications estimates that would incur $41,160 in costs to comply with sections 4,5 and 7 of the rule.

C. Class C company

i. Mark Twain Communications estimates that would incur $41,160 in costs to comply with sections 4,5 and 7 of the rule.

D. Interexchange carriers, Total impact was $4,500,000
   i. Comp-Tel (unknown number of members).

E. Payphone Providers
   i. Talton estimates that this rule would cost $3 million in increased bad debts because toll service cannot be disconnected.

2. The estimated number of entities affected by the proposed rule reflects the number of companies responding with fiscal impact information.

3. Cost of compliance with the rule by the affected entities reflects the total projected cost over a five year period for those companies who have responded with projected fiscal impact information. Some entities indicated their actual cost may be greater than the amount projected.

4. The projected fiscal impact was presented by a group of members of a Missouri interexchange carrier organization. The number of members contained in the organization remains unknown despite efforts to attempt to quantify the organization's membership.

IV. ASSUMPTIONS

1. The life of the rule is estimated at five years.

2. Fiscal year 1998 dollars are used to estimate costs. No adjustment for inflation is applied (i.e., wages, postage, cost of money or interest rates).

3. Estimates assume no sudden change in technology that would influence costs.

4. Affected entities are assumed to be in compliance with all other MoPSC rules and regulations.

5. The universe of entities is based on fiscal year 1998 data and is assumed to remain constant.

6. All disconnection notice calls will be made during regular business hours.