

FILED

October 14, 1999
02 24, No. 19

TX-2000-164

Missouri Register

Page 2355

Missouri Public
Service Commission

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

PROPOSED RESCISSION

4 CSR 240-33.050 Deposits and Guarantees of Payment. This rule established uniform standards dealing with the application and requirements of deposits and guarantee of payment so that reasonable and uniform standards existed regarding deposits and guarantees required by telephone utilities.

PURPOSE: This rule is being rescinded and resubmitted to avoid confusion because of the many changes being proposed.

AUTHORITY: section 386.250(II), RSMo 1986. Original rule filed Jan. 14, 1977, effective Oct. 1, 1977. Amended: Filed Dec. 31, 1979, effective Sept. 2, 1980. Rescinded: Filed Aug. 26, 1999.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-2000-164, 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 240-33.050 Deposits and Guarantees of Payment for Residential Customers

PURPOSE: This rule establishes uniform standards dealing with the application and requirements of deposits and guarantee of payment so that reasonable and uniform standards exist regarding deposits and guarantees required by telecommunications companies.

(1) A telecommunications company may require a deposit or guarantee as a condition of new service within thirty (30) calendar days of the telecommunications company providing service.

(2) A telecommunications company may require a deposit or guarantee as a condition of continued service under either of the following circumstances:

(A) The customer has delinquent charges in two (2) out of the last twelve (12) billing periods. A telecommunications company, with respect to each customer, shall maintain a record of all charges which have become delinquent within the last twelve (12) billing periods; or

(B) The customer has had service discontinued under 4 CSR 240-33.070(1)(A) or (B) at any time during the preceding twelve (12) billing periods.

(3) No deposit, guarantee, additional deposit nor additional guarantee shall be required by a telecommunications company because of race, sex, creed, national origin, marital status, age, number of dependents, source of income, disability or geographical area of residence.

(4) A deposit shall be subject to the following terms:

(A) It shall not exceed estimated charges for two (2) months' service based on the average bill during the preceding twelve (12) months, or, in the case of new applicants for service, the average monthly bill for new subscribers within a customer class;

(B) It shall bear interest at a rate which is equal to one percent (1%) above the prime lending rate as published in the *Wall Street Journal*. This rate shall be adjusted annually on October 1 using the prime lending rate, as published in the *Wall Street Journal* on the last business day of September of each year, plus one percent (1%). The interest shall be credited annually upon the account of the customer or paid upon the return of the deposit, whichever occurs first. Interest shall not accrue on any deposit after the date on which a reasonable effort has been made to return it to the customer. Records shall be kept of efforts made to return a deposit;

(C) Upon discontinuance or termination, it shall be credited, with accrued interest, to the charge stated on the final bill and the balance, if any, shall be returned to the customer within twenty-one (21) days of the rendition of such final bill;

(D) Upon satisfactory payment of all undisputed charges during the last twelve (12) billing periods, it shall with accrued interest be promptly refunded or credited against charges stated on subsequent bills. A telecommunications company may withhold refund of a deposit pending the resolution of a dispute with respect to charges secured by such deposit;

(E) A telecommunications company shall maintain records which show the name of each customer who has posted a deposit, the current address of such customer, the date and amount of deposit, the date and amount of interest paid and the earliest possible refund date;

(F) A telecommunications company shall upon request provide within ten (10) days a receipt that contains the following information:

1. Name of customer;
2. Address where the service for which the deposit is required will be provided;
3. Place where deposit was received or a designated code which identifies the location;
4. Date when the deposit was received;
5. Amount of the deposit; and
6. The terms which govern retention and refund of the deposit;

(G) The telecommunications company shall, pursuant to 4 CSR 240-33.040(6)(J), specify on a customer's bill the amount of any deposit the telecommunications company holds for the customer. A telecommunications company shall maintain a record of the deposit refunded and interest paid on such deposit for a period of at least two (2) years after the refund is made; and

(H) A telecommunications company shall permit a customer, concurrent with the beginning of service, to post a deposit in two

(2) equal monthly installments or as otherwise agreed upon. A company may bill these installments as a line-item on customer bills.

(5) In lieu of a deposit a telecommunications company may accept a written guarantee. The guarantee shall not exceed the amount of a cash deposit that the telecommunications company could request under this section.

(6) A guarantor shall be released upon satisfactory payment of all undisputed charges during the last twelve (12) billing periods. Payment of a charge is satisfactory if received prior to the date upon which the charge becomes delinquent, provided it is not in dispute. All telecommunications companies shall provide to the commission upon request credit criteria and screening procedures, standardized record keeping and verification procedures for uncollectible accounts and an interest rate level for deposits.

(7) A telecommunications company may request an advance payment for the limited purpose of securing payment of installation charges, if applicable for that customer, and one (1) month's estimated charges for services requested by the customer unless otherwise approved by the commission and specified in the telecommunications company tariff.

AUTHORITY: sections 386.040, RSMo 1994 and 386.250 and 392.200, RSMo Supp. 1998. Original rule filed Jan. 14, 1977, effective Oct. 1, 1977. Amended: Filed Dec. 31, 1979, effective Sept. 2, 1980. 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 \$13,350 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-2000-164, 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 240-33.050 Deposits and Guarantees of
Payment for 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: |
|--|---|--|
| | Class A Local Telephone Companies | |
| 4 | Class B Local Telephone Companies | \$13,350 (See worksheet Item 1A) |
| | Class C Local Telephone Companies | |
| | Class Interexchange Companies | |
| | Class Payphone Providers | |
| 4 | | \$13,350 |

* 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 B Companies
 - i. BPS, Kingdom and Farber Telephone Companies state that the interest rate expense increase would cost them \$2,150, \$7,200 and \$3,000, respectively.
 - ii. Northeast Missouri Telephone Company estimates that programming changes to give information on bills pursuant to 4E of the rule would cost it \$1,000.
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.

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.
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.