

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 2nd
day of September, 1992.

Dennis and Laura Clark)	
)	
Complainants,)	
)	
vs.)	<u>CASE NO. TC-92-259</u>
)	
GTE Missouri)	
)	
Respondent.)	

ORDER DISMISSING COMPLAINT

On April 14, 1992, Dennis and Laura Clark (Complainants) filed a complaint against GTE Missouri (Respondent) alleging that Respondent was improperly demanding a \$350 security deposit from Complainants after Respondent had previously agreed to accept a \$40 security deposit. On May 15, 1992, Respondent filed an answer to the complaint. Respondent stated it requested a total of \$350 from Complainants, consisting of \$40 already on deposit plus an additional \$310. Respondent argued it is entitled to request a large deposit because Complainants have had three disconnect notices and three past-due notices and one nonsufficient funds check as of November, 1991.

On June 5, 1992, the Commission directed its Telecommunications Department (Staff) to conduct an investigation into the cause of the complaint. On August 5, 1992, Staff filed a report on its investigation into the complaint. Staff indicated that it believed Respondent to be justified in requesting an additional deposit of \$310 and recommended that the Commission dismiss the complaint.

Staff's investigation shows that the dispute began in September, 1990, when Respondent requested a security deposit of \$325. Complainants had received

three disconnect notices and were disconnected twice between January 1990 and August, 1990, leading to the deposit request. Respondent had made payment arrangements for the deposit and the \$40 was the first payment. However, Complainants did not make further payments on the deposit, and they made an informal complaint in late 1990 with the Commission's Customer Services Department regarding the requested deposit.

Staff states that Complainants contend that the initial \$40 deposit should be returned to them rather than an additional deposit required. It is their position that Respondent had agreed earlier that the \$40 deposit was adequate, that Respondent should be required to keep its original word, and that the deposit should be returned because Complainants' service has not been disconnected at any time since the deposit was paid. Respondent replies that Complainants had seven disconnect notices, seven past-due notices, and one nonsufficient funds check in 1991, and three disconnect notices and three past-due notices in 1992. Staff's investigation also shows that Complainants had eight delinquent bills in the 12-month period prior to when the additional deposit was requested by Respondent. Complainants explained to Staff that their late payment of the telephone bill is due to the fact that the bill's due date is not convenient and they wait to pay until they receive their paycheck. Staff's investigation further shows that Complainants' average telephone bill from February 1, 1991 to February 1, 1992, was \$175.45.

The basis for requesting security deposits as a condition of continued service is outlined in 4 CSR 240-33.050(2)(A) which states that a telephone utility may require a deposit for continued service if the customer has undisputed charges in two out of the last 12 billing periods which have become delinquent. Respondent's existing tariff, P.S.C. MO. No. 10, Section 2, Original Sheet No. 17, Paragraph F(6)(c) has similar language: "[A] present customer may be required to post a deposit or guarantee as a condition of continued service

if undisputed charges in two out of the last twelve billing periods have become delinquent...." Based on Complainants' eight delinquent bills in the 12-month period prior to when Respondent requested the additional deposit, Respondent would be entitled to request the additional deposit under its tariff and 4 CSR 240-33.050(2)(A).

The basis for calculating the amount of deposit is described in 4 CSR 240-33.050(4)(A) which states that a deposit cannot exceed estimated charges for two months' service based on the average bill during the preceding 12 months. Likewise, Respondent's existing tariff, P.S.C. MO. No. 10, Section 2, Original Sheet No. 17, Paragraph F(6)(f), states: "[T]he amount of the deposit for a present customer will be twice that customer's average monthly billing for exchange and long distance charges...." Based on Complainants' average bill of \$175.45 from February 1, 1991 to February 1, 1992, Respondent could request a deposit of \$350.90. Under its tariff and 4 CSR 240-33.050(4)(A), Respondent would be entitled to request a \$310 deposit in addition to the existing \$40 deposit.

The Commission finds that Respondent was entitled to request an additional deposit from Complainants and that the \$310 amount requested by the Respondent is within the allowable limits. Thus, the Commission determines that the complaint fails to state facts upon which relief can be granted and should be dismissed. 4 CSR 240-2.070(6).

IT IS THEREFORE ORDERED:

1. That the Complaint of Dennis and Laura Clark against GTE Missouri is hereby dismissed.

2. That this Order shall become effective on September 15, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch
and Kincheloe, CC., Concur.
Perkins, C., Absent.