

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

In the Matter of Proposed Amendments to)
Commission Rules 4 CSR 240-33.010,)
33.020, 33.030, 33.040, 33.060, 33.070,)
33.080, 33.110, and 33.150.)

Case No. TX-2001-512

STAFF COMMENTS

COMES NOW the Staff of the Missouri Public Service Commission (Staff), and, pursuant to the Notice To Submit Comments published in the *Missouri Register* on March 1, 2004 and March 15, 2004, submits the following comments:

INTRODUCTION

In the March 1, 2004, edition of the *Missouri Register*, the Missouri Public Service Commission (Commission) published its proposed amendments to 4 CSR 240-3.555, 4 CSR 240-33.010 through 4 CSR 240-33.040, 4 CSR 240-33.060 through 4 CSR 240-33.080, and 4 CSR 240-33.150. All of the amendments relate to Chapter 33 of the Commission's rules, governing service and billing practices for telecommunications companies. In the March 15, 2004, edition of the *Missouri Register*, the Commission published its proposed amendment to 4 CSR 240-33.110, which also relates to service and billing practices for telecommunications companies. Staff supports the adoption of the proposed amendments.

COMMENTS

4 CSR 240-3.555 - TELECOMMUNICATIONS COMPANY RESIDENTIAL CUSTOMER INQUIRIES

The rule currently requires a telecommunications company to prepare a statement, which in layman's terms describes the rights and responsibilities of both the telecommunications company and its customers. The proposed amendment adds the requirement to include a prominent description of lifeline and link-up services where available.

4 CSR 240-33.010 – GENERAL PROVISIONS

The rule currently requires telecommunications companies to be in compliance with Chapter 33 requirements within six months after the effective date of the rule and to notify the Commission of such compliance. The proposed amendment removes the requirement to notify the Commission of compliance with the rule.

4 CSR 240-33.020 – DEFINITIONS

Definitions for "casual calling customer", "cyclical billing", "passcode", "presubscribed customer", "traffic aggregator" and "transient customer" were added to incorporate and define terminology used in other proposed amendments.

4 CSR 240-33.030 – MINIMUM CHARGES RULE

This section "requires all telephone utilities to inform prospective customers at the time service is requested and at the time a contract for service is entered into of the lowest cost service available and the lowest cost one party service available and the lowest equipment cost available for such types of service so that prospective customers are aware of the lowest cost service and equipment available." Staff supports rescinding this section.

In an environment of bundled offerings, intermodal carriers offering complementary and/or substitutable services, term agreements and promotional offerings, it is difficult for a telecommunications provider to determine the calling needs of each customer or potential customer to provide the lowest cost service available. The requirement is currently waived for Southwestern Bell Telephone, L.P., d/b/a SBC Missouri.

4 CSR 240-33.040 – BILLING AND PAYMENT STANDARDS

The proposed amendment changes the title of the section to “Billing and Payment Practices for Residential Customers.”

A new section 1 is proposed to require telecommunications companies, when discussing regulated service plans and packages with customers and/or potential customers, to clearly identify the exact name and rates of those plans as advertised and tariffed.

A new section 4 is proposed to outline when customer notice is required for rate increases. Most customer notice requirements mirror statutory requirements, but clarification is provided to indicate circumstances when telecommunications companies may not be able to identify potential customers to provide such notice. The proposal also includes a customer notice requirement for price cap regulated companies. Although this is a new requirement, it is consistent with the practice that is currently employed by price cap carriers for customer notice of rate increases.

Section (8)(F) is amended to propose language that would clarify that every bill must clearly state the amount due for basic local service, or the packaged rate if basic local service is bundled with other services.

4 CSR 240-33.060 – RESIDENTIAL CUSTOMER INQUIRIES

A new section 1 is proposed that will require all bills to clearly identify the company name and contact number for billing inquiries and/or to cancel service. Staff suggests the language be slightly modified as follows:

4 CSR 240-33.060(1) All bills shall clearly identify the company name associated with *[the]* **each** toll free number...

New sections 3 through 6 were added to allow customers, upon request, to restrict the following type of calls: 900 numbers, state correctional facilities' calls, toll calls without a valid passcode and 10-10-XXX dialing. Restrictions on these types of calls are appropriate because customers typically are not aware of these charges until they appear on the telephone bill. With many of these calls, the person responsible for paying the bill is not the person that authorizes the charges. For instance, a minor child may see a 900 number on a commercial and place the call without parental supervision. It is not until the bill is received that the parent knows the call transpired.

A new section 7 is proposed to require telecommunications companies to notify customers of their rights in proposed sections 3 through 6 at the time of application and annually thereafter. It has come to Staff's attention that the requirement could be interpreted to have a significant impact on telecommunications carriers because it could be interpreted that the carriers have to explain the customer rights in proposed sections 3 through 6 each time a customer contacts the carrier for a new service, such as adding on caller ID. The language also could be interpreted to require notification of these customer rights every time a customer notifies the carrier of any charges that appear on the bill that may not have been authorized or ordered. Staff proposes the language be modified as follows:

(7) Customers shall be notified of the rights in Sections 3, 4, 5 and 6 above at the time of *[application for service]* **establishing service, through a statement on the customer's first bill or through a welcome letter.** Additional notice shall be provided annually thereafter by bill insert, statement on customer bills or annually in the telephone directory. **A customer shall be notified of the restriction option(s) in Section(s) 3, 4, 5 or 6 above** *[E]each time [a] that customer notifies a telecommunications carrier or its billing agent that the customer's bill contains unauthorized charges related to the section(s) above. [for products or services that the customer did not order or that were not received, the customer will be informed of their rights in Sections 3, 4, 5 and 6 at the time the customer notifies the telecommunications carrier or its billing agent].*

4 CSR 240-33.070 – DISCONTINUANCE OF SERVICE RESIDENTIAL CUSTOMERS

The current rule includes provisions such that basic local telecommunications service may not be disconnected for customer nonpayment of a delinquent charge other than basic local telecommunications services. The proposed amendment adds to this provision by stating that nonpayment of the Missouri USF surcharge is considered nonpayment of basic local telecommunications services for the purpose of this rule.

A new section 8 is proposed to allow telecommunications companies to provide notice of discontinuances, consistent with sections 6 and 7 of the rule, in electronic format.

A new section 9 and 10 are proposed to move and clarify current section 3 of the rule, which addresses when service may be blocked or discontinued for suspected illegal use or use that creates an unsafe condition or the possibility of damage or destruction to equipment.

4 CSR 240-33.080 – DISPUTES BY RESIDENTIAL CUSTOMERS

A new section 1 is proposed to require telecommunications companies to clearly identify the company name and contact number for customers with billing inquiries.

Staff suggests this section be modified as follows:

4 CSR 240-33.080(1) All bills shall clearly identify the company name associated with *[the]* **each** toll free number the customer will be calling for billing inquiries or disputes.

4 CSR 240-33.110 – COMMISSION COMPLAINT PROCEDURE

This rule was amended to propose time frames for telecommunications companies to respond to inquiries from Commission Staff related to informal complaints/inquiries. Under the proposed language, companies are required to respond to informal complaints/inquiries related to denial or discontinuance of service within 24 hours. For all other informal complaints/inquiries, companies will be required to respond with various status updates and/or resolution proposals within 3 business days, 15 days and thirty days. The proposed language allows the requirements for company acknowledgement or response to be suspended if a formal complaint is filed. If the telecommunications company and customer fail to resolve an informal complaint, the Commission Staff will notify the customer of his/her right to file a formal complaint with the Commission.

4 CSR 240-33.150 – VERIFICATION OF ORDERS FOR CHANGING TELECOMMUNICATIONS SERVICE PROVIDER

This rule reduces or eliminates the practice of “slamming” by establishing the requirements telecommunications companies must follow when changing telecommunications providers pursuant to customer request. The proposed amendment addresses the procedures for changing customers in the case of mergers, consolidations or the sale, assignment, lease or transfer of assets (“merger transactions”).

A new section 4 is proposed which would allow telecommunications companies to execute a change in a subscriber’s telecommunications provider without authorization and verification when the change is the result of merger transactions. The proposed rule requires

telecommunications companies to provide at least 30 days notice to the subscriber of such change and to notify all subscribers of their right to switch to another provider.

WHEREFORE, Staff requests that the Commission accept the comments of Staff in this proceeding.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ David A. Meyer

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Associate General Counsel
Missouri Bar No. 46620

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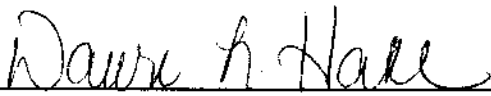
VERIFICATION OF NATELLE DIETRICH

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Natelle Dietrich, of lawful age, on her oath states: (1) that she is a member of the Staff of the Missouri Public Service Commission; (2) that she has participated in the development of the subject proposed amendments to the Commission's rules; (3) that she has participated in the preparation of Staff's comments in support of the proposed amendments; (4) that she has knowledge of the matters set forth in those comments; and (5) that such matters are true and correct to the best of her knowledge and belief.


Natelle Dietrich, Regulatory Economist III
Telecommunications Department
Utility Operations Division

Subscribed and sworn to before me this 30th day of March 2004.


Notary Public

My Commission Expires:

DAWN L. HAKE
Notary Public – State of Missouri
County of Cole
My Commission Expires Jan 9, 2005