

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

In the Matter of the Tariff Filing by Choctaw)	
Telephone Company to Establish a 15-day)	File No. IT-2009-0366
Due Date for Bills.)	Tariff No. JI-2009-0655

**Suggestions in Opposition to Motion to Suspend
Choctaw Telephone Company**

Comes now Choctaw Telephone Company (Choctaw) and, for its suggestions in opposition to Staff's Motion to Suspend Choctaw's proposed tariff, submits the following.

Introduction

Choctaw has a tariff pending to change the due date on monthly bills from 21 days after the bill is rendered to 15 days after the bill is rendered. Staff has opposed the proposed tariff on the grounds that 15 days is unreasonable, and on the grounds that implementing a late payment charge via a tariff is impermissible single-issue ratemaking.

Choctaw respectfully disagrees with Staff. Pursuant to recent legislation, this Commission has taken notice of competition in Choctaw's service area, and, based on that competition, granted Choctaw a waiver from the rule requiring a 21 day due date. A 15 day due date is reasonable. It will alleviate customer confusion occurring with the current billing cycle. Other states and other cities utilize a similar period.

Choctaw already has a late payment charge in effect. Choctaw is not implementing a new charge via this tariff filing. The tariff cannot be construed as single-issue ratemaking.

The Company has obtained a statutorily authorized waiver of 33.040(5)

2008 HB 1779 in its revision to 392.420 RSMo provided companies with the opportunity to obtain waivers of regulations no longer needed in a competitive environment. By Order of November 19, 2009 in IE-2009-0157, the Commission acknowledged that the presence of competitors justified Choctaw's receipt of waivers of certain rules. 4 CSR 240-33.040(5), the 21 day rule, was specifically waived. In JI-2009-0435 the waiver listing tariff sheet reflecting that the 21 day rule was waived became effective January 11, 2009.

HB 1779, the Commission's Order, and Choctaw's waiver listing tariff should be construed to have meaning and effect. Staff's position negates them.

15 days will create a more orderly billing cycle.

For the past 30 years, 4 CSR 240-33.040(5) (and its predecessor 33.040(3)) has required that a customer has twenty-one days after a bill is rendered to pay the charges. Customers' payment options no longer are limited to mailing payment or dropping off payment in person. Today customers can pay via standing credit card authorizations, telephoned credit card payments, online credit card payments, standing online electronic bank transfer authorizations, and online electronic bank bill payments, all of which can be performed on an immediate basis.

Choctaw is proposing the 15 day due date in order to obtain a billing and payment cycle that is more orderly and less confusing than the cycle presently in place.

Utilizing a 15 day due date will allow the billing, delinquency notice, disconnection, and reconnection process to take place within two bill cycles. The current

21 day due date causes this process to exceed two bill cycles. This causes customer confusion.

One awkward aspect of the 21 day rule is that delinquent customers receive next month's bill in the middle of the 10 day disconnection notice period.¹ Receiving a bill for next month's service often confuses a customer into thinking the scheduled disconnection has been canceled.

If disconnection occurs, the reconnection charge applied after service is restored is not posted until the next bill, which is two months (three billing cycles) after the customer was disconnected. Because of the initial 21 day due date, a customer that is disconnected for nonpayment is not seeing the results of the disconnection and reconnect charge until the third billing cycle after the incident.

Some of this confusion can be eliminated by using a 15 day due date. Delinquency/disconnect notices will be sent before next month's bill is sent. The customer will receive the disconnect notice with a disconnect date that will occur before receipt of the bill for the next month.

Other entities are using similar periods. According to online website information, the cities of Kansas City (KCPL), Cameron, Ashland, Grain Valley, Moberly, and Odessa all appear to utilize due dates of 15 days or less.² Choctaw's electric supplier uses 15 days.

With respect to the bill due dates used by other states for telecommunications service, Arizona uses 15 days, Arkansas uses 14 days if the company does not charge a

¹ 4 CSR 240-33.070(5), which requires a 10 day disconnection notice, has not been waived pursuant to 2008 HB 1779.

² These cities' information is used only as examples. There has not been a complete review of all Missouri cities. The city utilities' billing systems are not for telecommunications service.

late fee, Colorado uses 15 days, Idaho uses 15 days, Indiana uses 17 days, Kansas uses 10 days with 3 days added for mailing time, Michigan uses 17 days, Nebraska uses 20 days but disconnection is permitted on the 21st day, Oklahoma uses 15 days, and Washington uses 15 days.

Choctaw already has a tariffed late payment charge. This tariff proceeding does not create single-issue ratemaking.

In its Motion to Suspend, Staff correctly states that Choctaw currently has a \$2.55 late payment charge. Based on the Commission's December 12, 2000 Report and Order in the Matter of the Chapter 33 Tariff Filing of Miller Telephone Company, TT-2001-257, Staff urges rejection of Choctaw's tariff here as single-issue ratemaking.

In Miller, the company was trying, by tariff filing, to introduce a \$5.00 late payment charge it did not previously have the right to charge. The Commission rejected Miller's tariff as single-issue ratemaking. Here, Choctaw already has a \$2.55 late payment charge in a currently effective tariff. Choctaw is not trying to introduce a new charge.

Staff's Motion confines its single-issue ratemaking argument to those customers of Choctaw who pay their bill between the 16th and 21st days following the bill. This is a false argument. There is no ratemaking issue. There is no new rate. The tariff would only change the delinquent date, not the amount of the late payment charge for being delinquent. To minimize the possibility that uninformed customers paying their bills between the 16th and 21st day incur the late charge, Choctaw is willing to postpone the effective date of the tariff change in order to provide notifications to customers of the change in the delinquent date, and/or waive the late charge for a reasonable period of time.

WHEREFORE, on the basis of the foregoing, Choctaw requests that the Commission not grant Staff's Motion to Suspend, and allow the tariff in question to become effective.

/s/_____
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CERTIFICATE OF SERVICE

A copy of this document was served on the following parties by e-mail on this 13th day of April, 2009, to:

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