COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF TOLL AND ACCESS CHARGE PRICING AND TOLL SETTLEMENT AGREEMENTS FOR TELEPHONE UTILITIES PURSUANT TO CHANGES TO BE EFFECTIVE JANUARY 1, 1984	)	CASE NO. 8838 PHASE I
AND		
DETARIFFING BILLING AND COLLECTION SERVICES	)	ADMINISTRATIVE CASE NO. 306

O R D E R

The Commission entered an Order on September 5, 1991 requiring local exchange carriers ("LECs") to include in their utility bills only charges for intrastate services which are tariffed or are contained in any special contract and for interstate services where the service, absent its interstate nature, would be allowed by Kentucky state law to be a tariffed utility service. Any LEC billing for services not allowed to be included in the utility bill may be billed on a separate billing sheet in the same envelope as the utility bill only if the LEC includes the following disclaimer at the upper-most position of each sheet containing unregulated charges and no less than 14 point bold type "NONPAYMENT OF ITEMS ON THIS SHEET WILL NOT RESULT IN DISCONNECTION OF YOUR LOCAL TELEPHONE SERVICE."

The Commission entered an Order on Rehearing on October 14, 1991 granting 30 days for the filing by LECs of a proposed bill

format complying with the Commission's Orders and stating that 30 days thereafter we would issue an Order addressing the bill format proposals. The parties were given 90 days from the issuance of an Order addressing bill format issues to comply. The October 14, 1991 Order affirmed the decision about billing and collecting for 900-type services but allowing the transmission and vendor charges to the extent they cannot be separated to appear on a separate billing sheet for non-utility charges.

On November 13, 1991, the Commission received motions concerning the bill format issues from Contel of Kentucky d/b/a GTE Kentucky ("GTE Kentucky"), South Central Bell Telephone Company ("South Central Bell"), Cincinnati Bell Telephone Company ("Cincinnati Bell"), GTE South Incorporated ("GTE South"), and comments from AT&T Communications of the South Central States, Inc. All LECs, except Mountain Rural Telephone Cooperative Corporation, have responded to the Commission's Order of October 14, 1991. This Order addresses the bill format proposals.

Several of the parties have requested extensions of time to implement the bill format changes. GTE Kentucky requested in its motion that it be allowed to implement the Commission's Orders by August 1, 1992 instead of March 15, 1992. In support of its request GTE Kentucky states that it is merging the Contel billing system with the GTE South billing system and the entire format will have to be redone for the Contel operations by August 1, 1992. If GTE Kentucky is required to implement the Commission's Order prior to that time, it will be expending the resources to modify a billing system which will be obsolete within six months.

South Central Bell made a similar request for a delay in the implementation of the bill format changes. South Central Bell states that it has begun the process of implementing a regional uniform bill format for all of its operations and that the regional effort cannot be completed until after August 1992. South Central Bell asserts that its current billing system is not capable of physically separating the accounting for utility and non-utility services on separate bills and requests permission to utilize an interim bill format which would identify non-utility charges with a double asterisk and any pages containing non-utility charges would have the disclaimer statement.

Cincinnati Bell also requests that it be given an extension to September 1992 to implement the bill format changes specified in the Commission Orders so that it can avoid implementing bill changes twice because its entire bill format is to be overhauled by September 1992. Highland Telephone Company and North Central Telephone Company requested an extension to April 1992. Leslie County Telephone Company, Lewisport Telephone Company, and Salem Telephone Company requested an extension to the third quarter of 1992.

The Commission has considered these requests for extensions of time to implement the ordered bill format changes and finds that all LECs may reasonably implement the bill format changes specified herein by no later than March 31, 1992.

We turn now to a discussion of other requests concerning the bill format proposals. South Central Bell and GTE South request that the charges for utility services not have to appear on

separate pages from those for non-utility services. South Central Bell's proposed format would contain a double asterisk beside each charge which would not result in interruption of local service for failure to pay and the disclaimer would appear on each page containing a non-utility service. GTE South's proposal would place at the beginning of each section containing non-utility services an appropriate disclaimer. Cincinnati Bell requests that it be permitted to do a bill insert to be sent to those customers whose service is about to be disconnected which would contain a description of disconnection policies for non-payment of utility and non-utility services. The Commission rejects these proposed changes and affirms its decision regarding separate billing sheets and that the specified disclaimer is to appear on the separate billing sheets. These alternative proposals would not be as effective in accomplishing the Commission's goals as the conditions specified in previous Orders.

Some of the LECs proposed modifications to the disclaimer language concerning disconnection. South Central Bell requests that the disclaimer statement ordered by the Commission be altered to read: "Your local service will not be interrupted if you do not pay the charges marked with double asterisk. If you do not pay other charges, your local service may be interrupted." Cincinnati Bell requests that the following sentence be added to the disclaimer: "Nonpayment will be subject to further collection activity or referred to a collection agency." The Commission rejects both of these suggested changes to the disclaimer statement. Such modifications would detract from the goal of

adequately notifying customers of their rights concerning disconnection of local service. However, the Commission will accept an addition proposed by AT&T which states: "Please contact the indicated carrier to dispute charges" that can be added to the required disclaimer at each LEC's option.

South Central Bell asked for certain changes in billing for 900-type charges. South Central Bell proposed that the disclaimer language state: "Nonpayment of the following itemized charges will not result in interruption of your local service. You can obtain blocking of pay per call 900 or 976 service from South Central Bell. If you have questions about your charges, call 1-800-XXX-XXXX." Additionally, the charges for the 900-type services would not, under South Central Bell's proposal, appear on separate pages for non-utility services. The Commission herein rejects these proposed changes for 900-type services. Nothing herein shall prohibit any LEC from adding this language to any portion of any billing sheet in a manner not connected to the required disclaimer.

Additionally, there were several requests from LECs for other modifications to the Commission's prior Orders. First, many of the LECs, including Cincinnati Bell, requested that the 14 point bold type required by the Commission for the disclaimer statement be reduced to 12 point due to the size of its billing sheet. Cincinnati Bell further requested, as did some other LECs, that the disclaimer for the non-utility services be permitted to appear on the bottom of its billing sheets instead of in the upper-most position. Cincinnati Bell requests that it be permitted to use

the word "page" instead of "sheet." GTE South requests that it be permitted to use the phrase "non-regulated services" instead of "non-regulated items" and to eliminate the word "sheet" from its disclaimer. The minor alterations of the language as requested herein are acceptable. LECs may utilize no less than 12 point bold type and may place the disclaimer in either the upper-most position or the lower-most position of its billing pages.

The Commission, having considered the motions and comments of LECs concerning bill format proposals and having been otherwise sufficiently advised, HEREBY ORDERS that:

1. Billing changes required herein and in the Commission's September 5, 1991 Order shall be implemented no later than March 31, 1992 for all LECs providing service in Kentucky.

2. Any LEC billing for services not allowed to be included on the utility bill, pursuant to the Commission's September 5, 1991 Order, may bill on separate billing sheets to be included in the same envelope as the utility bill only if it includes the following statement on each billing sheet in no less than 12 point bold type: **"NONPAYMENT OF ITEMS ON THIS SHEET WILL NOT RESULT IN DISCONNECTION OF YOUR LOCAL TELEPHONE SERVICE."**

3. The disclaimer contained in ordering paragraph 2 may include a statement advising end-users to: "Please contact the indicated carrier to dispute charges."

4. The disclaimer statement contained in ordering paragraph 2 shall appear at either the upper-most or lower-most position of each billing sheet for non-utility services.

5. Except as otherwise specified herein, the September 5, 1991 and October 14, 1991 Orders remain in full force and effect.

Done at Frankfort, Kentucky, this 19th day of December, 1991.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Executive Director