

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF LOCAL TELEPHONE) ADMINISTRATIVE
DISCONNECTION POLICIES) CASE NO. 334

O R D E R

On April 30, 1990, the Commission established this proceeding to investigate whether its policies on disconnection of local telephone service for nonpayment for portions of the customer's bills should be modified. The local exchange carriers ("LECs") have filed information in response to the Commission's questions contained in the Order initiating this proceeding. In addition, certain interexchange carriers have filed comments.

In a related proceeding concerning the billing and collection practices of LECs,¹ the Commission has entered several Orders which impact this inquiry into the disconnection policies of local exchange carriers. The Commission's April 30, 1990 Order stated that local service may be disconnected for nonpayment of IXC interstate messages or IXC intrastate tariffed services; but that disconnection should not be permitted for any services not regulated or non-utility services not specifically described in

¹ Administrative Case No. 306, Detariffing Billing and Collection Services; and Case No. 8838, Phase I, An Investigation of Toll and Access Charge Pricing and Toll Settlement Agreements for Telephone Utilities Pursuant to Changes to be Effective January 1, 1984.

the Order. Further, partial payment of bills by a customer should first be applied to all services for which disconnection is permitted.


On September 5, 1991 and December 19, 1991, the Commission required LECs to include on their utility bills only charges for intrastate services tariffed and on file with the Commission or contained in special contracts on file with the Commission. LECs were permitted to include on their utility bills charges for interstate telecommunication services only when that service, absent its interstate nature, would be allowed by Kentucky state law to be a tariffed utility service.

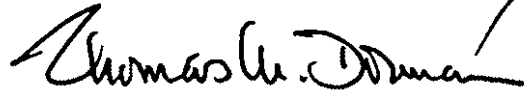
Any LEC billing for services not allowed to be included on the utility bill may bill on separate billing sheets to be included in the same envelope as the utility bill only if it includes the following statement at either the uppermost or lowermost position on each billing sheet and in no less than 12 point bold type: **"NON-PAYMENT OF ITEMS ON THIS SHEET WILL NOT RESULT IN DISCONNECTION OF YOUR LOCAL TELEPHONE SERVICE."** This disclaimer may include a statement advising end-users to: "Please contact the indicated carrier to dispute charges."

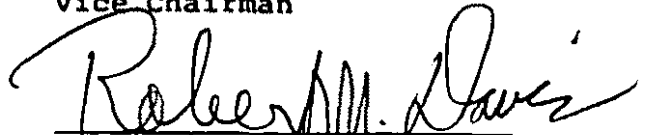
The Commission, having considered its determinations in the proceedings of Administrative Case No. 306 and having been otherwise sufficiently advised, **HEREBY ORDERS** that this case be closed and removed from the Commission's docket. The disclosure notice concerning disconnect policies of the Commission discussed herein is adequate to protect consumer interests concerning disconnection issues at this time.

Done at Frankfort, Kentucky, this 24th day of February, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director