

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CUSTOMER BILLING AND NOTICE	)	CASE NO.
REQUIREMENTS FOR WIRELINE	)	2002-00310
TELECOMMUNICATIONS CARRIERS	)	
PROVIDING SERVICE IN KENTUCKY	)	

O R D E R

In 1991 the Commission established billing requirements for local exchange carriers ( LECs ) in Administrative Case No. 306.<sup>1</sup> The Commission mandated the following requirements, among others, for LECs. LECs are required 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. Moreover, a LEC may bill for services not allowed to be included on the regulated utility bill page 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 or the lower-most position of each sheet containing unregulated charges and in no less than 12 point bold type the following statement: Nonpayment of items on this sheet will not result in disconnection of local telephone service. Carriers are allowed to add to the disclaimer such language as please contact the indicated carrier to dispute charges. These billing requirements have been effective since 1992.

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<sup>1</sup> Administrative Case No. 306, Detariffing Billing and Collection Services, Orders entered September 5, 1991 and December 19, 1991.

On August 5, 2002, Foothills Telephone Cooperative filed a request for a waiver of the billing requirement to include an additional page in its end-user bills detailing charges for which nonpayment would not result in the disconnection of telephone service. This request for waiver is attached hereto and incorporated herein.<sup>2</sup> Foothills Telephone Cooperative has requested the exemption beginning October 1, 2002.

Given the sweeping changes that have taken place in the telecommunications industry since issuance of the final Orders in Administrative Case No. 306, the Commission will review not only Foothills Telephone Cooperative's request; it will, in this proceeding, also consider other billing and customer notice issues, such as electronic billing, notice to end-users of rates to be charged, Kentucky carriers implementation of the federal truth-in-billing requirements, and customer notice issues that arise when a competitive LEC ceases to provide service. Accordingly, the Commission herein requests comments as specified below from wireline carriers providing service in Kentucky, including incumbent LECs ( ILEC ), competitive LECs ( CLEC ), and long-distance carriers.

Accordingly, IT IS HEREBY ORDERED that:

1. This proceeding is established to review end-user billing and customer notice issues, and all ILECs, CLECs and long-distance carriers providing service in Kentucky are hereby made parties to this proceeding.

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<sup>2</sup> BellSouth Telecommunications Inc., ALLTEL Kentucky, Inc., and Cincinnati Bell Telephone Company have also informally requested changes to these requirements.

2. Within 20 days of the date of this Order, carriers wishing to comment on matters directly related to Foothills Telephone Cooperative s waiver shall submit written comments regarding:

a. Whether a separate page is necessary for detailing nonregulated charges.

b. Whether pages containing unregulated charges should indicate that nonpayment will not result in the disconnection of local telephone service.

c. Whether nonregulated charges should be allowed to be printed on the same page as regulated charges, while each page containing unregulated charges continues to include the bolded and enlarged messages ordered in 1991.

d. Whether the principle of disallowing termination of local service for failure to pay any unregulated service should be maintained.

3. Within 30 days of the date of this Order, parties may file comments on the following items:

a. Proposed changes to the requirements established in 1991, including a description of how the proposed changes would be in the public interest.

b. Description of any hardship experienced by telecommunications carriers in fulfilling the 1991 requirements.

c. The implementation in Kentucky of the Federal Communications Commission s ( FCC ) requirements in the truth-in-billing rules, 47 C.F.R. Section 64.2400 to 64.2410.

d. Regarding these truth-in-billing requirements, a full description of the identification on your end-user bills of deniable and non-deniable charges.

4. Parties may, within 30 days of the date of this Order, file documents and other responses to the following:

a. A mock-up end-user bill containing actual tariffed rates in a format you propose the Commission should adopt.

b. Do you provide electronic billing to end-users? If so, is your electronic bill in the same format as your paper bill?

c. Under what circumstances do you notify end-users of changes in rates? Is this notification done via bill insert or other method?

d. What are the appropriate procedures for notifying end-users when a local exchange carrier ceases to serve in Kentucky, whether through bankruptcy or other cause? Should the requirement be actual notice to each end-user? If the carrier leaving Kentucky fails to notify the end-users, should the ILEC serving the affected area be required to notify end-users?


e. When an ILEC disconnects a CLEC for failure to pay carrier charges or other items, should the ILEC be required to notify the Commission of such disconnection? If so, when should such notification be given?

f. Please describe any additional issues concerning notification to, and billing of, Kentucky telecommunications customers which you believe the Commission should consider in this proceeding.

Done at Frankfort, Kentucky, this 26<sup>th</sup> day of August, 2002.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Charles H. [unclear]", written over a horizontal line.

Executive Director



P. O. BOX 240 • 1621 KY HWY 40 W • STAFFORDSVILLE, KY 41256

Thomas Dorman, Executive Director  
Kentucky Public Service Commission  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

RECEIVED

AUG - 5 2002

PUBLIC SERVICE  
COMMISSION

July 23, 2002

Subject: Request for Waiver of Billing Requirements Provided for Under  
Administrative Case No. 306

Dear Mr. Dorman:

Please accept this letter as a formal request for waiver of certain billing requirements detailed in Administrative Case No. 306. Specifically, Foothills Telephone Company requests that it be exempted beginning on October 1, 2002 from requirements that the Company include an additional page in its end user bills for telecommunications services detailing the charges for which non-payment will not result in the disconnection of telephone service. As shown here, good cause exists for grant of such a waiver.

#### Background

Foothills Rural Telephone Cooperative ("Foothills or Company") is a cooperative telephone company serving 15,000 lines in the communities of Staffordsville and Flat Gap in Johnson County, all of Magoffin County, and Blaine, Chapman, and Fallsburg in Lawrence County. Earlier this year, Foothills completed the purchase of a new end user billing system to replace its current telephone service billing system. This change was necessitated because Foothills' current system required too much manual handling of even basic requests resulting in not only service delays to members but also a high probability of error. The new system will dramatically improve operations allowing Foothills to mechanize many of its customer ordering processes ultimately improving service, increasing efficiency and eventually eliminating lost revenue too often inherent in manual processes.

Foothills has initiated the conversion of its end user bills onto its new system and expects to cut to the new billing platform beginning in October 2002. The Company was recently notified that its new service vendor is unable to comply with the Commission's billing format requirements that provide for separate notices pursuant to Administrative Case No. 306 prior to the scheduled October conversion.

#### Justification for Waiver

Foothills believes the waiver request is warranted for the following two reasons.

1. Foothills Fully Complies with Truth-in-Billing Requirements Mitigating the Impact of this Waiver

Foothills is requesting that it receive a waiver of the requirement that it provide a separate billing page notifying its members of those services for which non-payment will not result in termination of service. Foothills Telephone Company is now and will continue to be fully compliant with requirements of the Truth-in-Billing Act when it converts to its new billing system in October. This Act created essentially the same notice requirements as the "separate page" requirement of Administrative Case 306. As shown in the "Sample Invoice" included in the Attachment, compliance with the Truth-in-Billing Act already insures that the Company's members will get the information also provided with the notice requirements of Administrative Case 306.

2. A Delay in Implementation will Create Unnecessary Costs for Foothills and its Members


Absent grant of its waiver, Foothills will be forced to either delay implementation of its new billing system or find an alternative way to insert in each bill the information page for which the waiver has been requested. Either solution will result in higher unwarranted costs to the Cooperative.

As discussed, the Cooperative has already begun its conversion to its new billing system. If it is unable to complete this conversion as scheduled because it must wait for its vendor to complete the work required to meet the separate notices provision, the Cooperative will be forced to delay the deployment until such time as its own schedule and that of its billing vendor allow it to again initiate the lengthy conversion process. This will only force Foothills to continue its inefficient manual processes until some time in 2003 when it can complete the conversion and comply with the separate notice provision.

Similarly, under its new billing system, the Cooperative will lack a mechanism by which it could separately include the notice provision and would need to do so on a manual basis. As a result, whatever productivity gains the Cooperative may make from its new billing conversion will be lost to the manual insertion of this separate redundant notice.

As discussed here, good cause exists for grant of this waiver. If there are any questions, please contact Eileen Bodamer at 770-649-1886.

Sincerely,

  
Tom Preston, General Manager

Attachment A

ABC TELEPHONE CO., INC.

Questions - Call 605-555-5555 or 605-555-5554

Statement of Account

Previous Balance	\$ 292.95
Jun 10 PAYMENT RECEIVED	282.53
Balance Forward	\$ 10.42
<b>Statement of New Charges</b>	
ABC TELEPHONE CO., INC. - Service Charges	\$ 283.14
TV CABLE, INC. - Service Charges	17.95
Total New Charges	\$ 301.09
<b>Amount Due</b>	<b>\$ 311.51</b>

IMPORTANT MESSAGES FOR CUSTOMERS

THE SOUTH DAKOTA PUBLIC SERVICE COMMISSION PROVIDES A "DO NOT CALL" PROGRAM FOR ALL TELEPHONE CUSTOMERS. IF YOU WOULD LIKE TO GREATLY REDUCE THE NUMBER OF MARKETING CALLS THAT YOU RECEIVE, CALL 1-888-555-0223 TO REGISTER YOUR TELEPHONE NUMBER. YOU MAY ALSO REGISTER ONLINE AT THE SDSC WEBSITE: WWW.SDSC.NET.

PLEASE REVIEW YOUR BILL VERY CAREFULLY. THE BILL IS PRINTED ON BOTH THE FRONT AND BACK OF EACH SHEET. WE WANT YOU TO UNDERSTAND YOUR BILL. CALL US IF YOU HAVE ANY QUESTIONS OR COMMENTS AT 555-5555, 555-5554 OR 555-5553.

IF YOU HAVE INTERNET SERVICE, YOU WILL RECEIVE A SEPARATE BILL UNTIL FURTHER NOTICE.

PAYMENTS RECEIVED AND POSTED AFTER JUNE 25, 2002 ARE NOT INCLUDED ON THIS BILL.

A 5% late charge will be applied if payment is not received prior to the 21st

Service Summary

	Recurring Charges	One-Time Charges	Usage Charges	Discount	Tax	Total
[REDACTED]	74.47	0.00	33.27	0.00	5.88	113.62
[REDACTED]	36.52	0.00	30.13	0.00	3.67	70.32

Amount Enclosed (If Not Full Payment) [REDACTED]

Remit To

ABC TELEPHONE CO., INC.  
2202 MITCHELL AVE  
P O BOX 225  
MITCHELL SD 57301-0225

Amount Due \$ 311.51

Delinquent After Jul 15, 2002  
Jul 1, 2002 Invoice 00002256  
Account

Addressed To

MITCHELL FARMS PART  
PO BOX 333  
MITCHELL SD 57301-0333



00000789

Check here if name or address changes have been indicated on reverse side.



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Service Summary (continued)

	Recurring Charges	One-Time Charges	Usage Charges	Discount	Tax	Total
[REDACTED]	36.52	0.00	25.00	0.00	3.37	64.89
13018 MITCHELL LINE RD	42.22	0.00	0.00	0.00	2.51	44.73
Other	17.95	0.00	0.00	0.00	0.00	17.95
	0.00	10.42 <sup>9</sup>	0.00	0.00	0.00	10.42 <sup>9</sup>
<b>Total</b>	<b>207.68</b>	<b>10.42<sup>9</sup></b>	<b>88.40</b>	<b>0.00</b>	<b>15.43</b>	<b>301.09</b>

One Time Charges and Credits Summary

OCC	Amount
BILL ADJUSTMENT	\$ 10.42 <sup>9</sup>
<b>Total One Time Charges and Credits</b>	<b>10.42<sup>9</sup></b>

Charge Summary

Explanation	Amount
12965 MITCHELL LINE RD TELEPHONE LOCAL SERVICE 1 PARTY ACCESS LINE* INSIDE WIRE MAINTENANCE STD DESK TOUCHTONE SUBSCRIBER LINE CHARGE* SIGNAL EQUIPMENT - OUTDOOR HORN	[REDACTED] \$ 23.75 2.00 1.20 9.20 2.50
13018 MITCHELL LINE RD TELEPHONE LOCAL SERVICE BUSINESS LOS W/O DETAIL	[REDACTED] 2.00
12965 MITCHELL LINE RD	\$ 40.65
13018 MITCHELL LINE RD TELEPHONE LOCAL SERVICE 1 PARTY ACCESS LINE (Quantity 2)* SUBSCRIBER LINE CHARGE (Quantity 2)* TRUNK HUNTING PER LINE EQUIPPED*	[REDACTED] 47.50 18.40 5.00
TELEPHONE LOCAL SERVICE BUSINESS LOS W/O DETAIL	[REDACTED] 2.00
TELEPHONE LOCAL SERVICE 1 PARTY ACCESS LINE* SUBSCRIBER LINE CHARGE*	[REDACTED] 23.75 9.20
TELEPHONE LOCAL SERVICE BUSINESS LOS W/O DETAIL	[REDACTED] 2.00
TELEPHONE LOCAL SERVICE LOCAL OPTIONAL SERVICE 1 PARTY ACCESS LINE* SUBSCRIBER LINE CHARGE*	[REDACTED] 2.00 23.75 9.20
13018 MITCHELL LINE RD	\$ 142.80
<b>Total Charges</b>	<b>183.45</b>

(c) BUSINESS LOS CAPPED W/O DETAIL Summary

	Day		Night/Weekend		Amount
	Calls	Minutes	Calls	Minutes	
BAND C	0	0	0	0	0.00
BAND D	31	80	2	2	4.01
BAND E	52	103	8	28	10.09
BAND F	0	0	0	0	0.00
BAND G	0	0	0	0	0.00
CAP ON BANDS	83	184	10	30	0.00
Total Usage					14.10
<b>Total</b>					<b>14.10</b>

\*These charges are non-deniable.

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ABC TELEPHONE CO., INC.

Questions -- Call 605-555-5555 or 605-555-5554

Service Number	Calls	Minutes	Usage	Other	Plan	Total
[REDACTED]	93	214	14.10			14.10
Total			14.10	0.00	0.00	14.10

UNCAPPED AREA Summary

	Day		Night/Weekend		Amount
	Calls	Minutes	Calls	Minutes	
BAND H	0	0	0	0	0.00
BAND I	54	131	0	0	18.55
Total Usage					18.55
Total					18.55

Service Number	Calls	Minutes	Usage	Other	Plan	Total
[REDACTED]	54	131	18.55			18.55
Total			18.55	0.00	0.00	18.55

Total for [REDACTED] 32.65

(c) BUSINESS LOS CAPPED W/O DETAIL Summary

	Day		Night/Weekend		Amount
	Calls	Minutes	Calls	Minutes	
BAND C	0	0	0	0	0.00
BAND D	0	0	0	0	0.00
BAND E	44	2414	9	171	176.66
BAND F	0	0	0	0	0.00
BAND G	0	0	0	0	0.00
CAP ON BANDS	44	2414	9	171	151.66
Total Usage					25.00
Total					25.00

Service Number	Calls	Minutes	Usage	Other	Plan	Total
[REDACTED]	51	2585	25.00			25.00
Total			25.00	0.00	0.00	25.00

Total for [REDACTED] 25.00

(c) BUSINESS LOS CAPPED W/O DETAIL Summary

	Day		Night/Weekend		Amount
	Calls	Minutes	Calls	Minutes	
BAND C	0	0	0	0	0.00
BAND D	0	0	0	0	0.00
BAND E	28	728	6	210	59.36
BAND F	0	0	0	0	0.00
BAND G	0	0	0	0	0.00
CAP ON BANDS	28	728	6	210	34.36
Total Usage					25.00
Total					25.00

Service Number	Calls	Minutes	Usage	Other	Plan	Total
[REDACTED]	32	938	25.00			25.00
Total			25.00	0.00	0.00	25.00

UNCAPPED AREA Summary

	Day		Night/Weekend		Amount
	Calls	Minutes	Calls	Minutes	
BAND H	0	0	0	0	0.00
BAND I	0	0	0	0	0.00
Total Usage					0.00
Total					0.00

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ABC TELEPHONE CO., INC.

Questions -- Call 605-555-5555 or 605-555-5554

Service Number	Calls	Minutes	Usage	Other	Plan	Total
[REDACTED]						
Total			0.00	0.00	0.00	0.00
Total for [REDACTED]						25.00

(c) BUSINESS LOS CAPPED W/O DETAIL Summary

	Day		Night/Weekend		Amount
	Calls	Minutes	Calls	Minutes	
BAND C	0	0	0	0	0.00
BAND D	0	0	0	0	0.00
BAND E	0	0	0	0	0.00
BAND F	0	0	0	0	0.00
BAND G	0	0	0	0	0.00
Total Usage					0.00
Total					0.00

Service Number	Calls	Minutes	Usage	Other	Plan	Total
[REDACTED]						
Total			0.00	0.00	0.00	0.00

UNCAPPED AREA Summary

	Day		Night/Weekend		Amount
	Calls	Minutes	Calls	Minutes	
BAND H	0	0	0	0	0.00
BAND I	0	0	0	0	0.00
Total Usage					0.00
Total					0.00

Service Number	Calls	Minutes	Usage	Other	Plan	Total
[REDACTED]						
Total			0.00	0.00	0.00	0.00
Total for [REDACTED]						0.00

Usage Summary

	Calls	Minutes	Amount
Other Usage Charges	7	20.5	5.75
Total Usage			5.75
Total			5.75

Service Number	Calls	Minutes	Usage	Other	Plan	Total
[REDACTED]	2		0.62			0.62
[REDACTED]	5	20.5	5.13			5.13
Total			5.75	0.00	0.00	5.75
Total for Landline Service Plans						88.40

Usage

Date	Time	Destination	Type	Min.	Usage	Other	Total
13018 MITCHELL LINE RD							
[REDACTED]							
1	May31	1:06p	[REDACTED]				
2	Jun20	1:10p	DAL		0.31		0.31
			DAL		0.31		0.31

Summary of Usage by Calling Plan

(c) BUSINESS LOS CAPPED W/O DETAIL - (93 calls)	214.4	14.10	14.10
UNCAPPED AREA - (54 calls)	131.7	18.55	18.55

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Usage		Date	Time	Destination	Type	Min.	Usage	Other	Total
Total for						346.1	33.27	0.00	33.27
3	May23	2:19p		LETCHER	SD DDL	1.0	0.25		0.25
4	May31	8:55a		LETCHER	SD DDL	1.0	0.25		0.25
5	Jun4	10:06a		LETCHER	SD DDL	1.0	0.25		0.25
6	Jun4	3:12p		LETCHER	SD DDL	7.9	1.98		1.98
7	Jun13	2:59p		LETCHER	SD DDL	9.6	2.40		2.40

Summary of Usage by Calling Plan

(c) BUSINESS LOS CAPPED W/O DETAIL - (51 calls)	2585.9	25.00		25.00
Total for	2606.4	30.13	0.00	30.13

Summary of Usage by Calling Plan

(c) BUSINESS LOS CAPPED W/O DETAIL - (32 calls)	938.7	25.00		25.00
Total for	938.7	25.00	0.00	25.00
Total for 13018 MITCHELL LINE RD	3891.2	88.40	0.00	88.40

Type	Explanation	Quantity
DAL	Directory Assistance Local	2
DDL	Day-Local	5

Tax Summary

Tax	Amount
MITCHELL CITY TAX	\$ 0.11
TELECOMMUNICATIONS TAX FOR THE DEAF	0.20
COUNTY TAX	0.18
STATE TAX	6.83
FEDERAL TAX	8.11
E911	6.28
<b>Total Taxes</b>	<b>21.71</b>

**Total for ABC TELEPHONE CO., INC. \$ 283.14**

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TV CABLE, INC.

Questions - Call 555-5555, 555-5554, 555-5553

Charge Summary

Explanation	Amount
13018 MITCHELL LINE RD CABLEVISION	
CABLEVISION BASIC SERVICE	13018 MITCHELL LINE RD \$ 17.95
13018 MITCHELL LINE RD	\$ 17.95
<b>Total Charges</b>	<b>17.95</b>
<b>Total for TV CABLE, INC.</b>	<b>\$ 17.95</b>

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