

**MEMORANDUM
UTILITIES DIVISION**

TO: Chair Moline
Commissioner Krehbiel
Commissioner Moffet

FROM: Kelly Mabon
Christine Aarnes
Tom Behner

DATE: March 30, 2005

DATE SUBMITTED TO LEGAL: 4/1/05

DATE SUBMITTED TO COMMISSIONERS: 8/30/05

RE: Telecommunications Billing Practices

The current telephone billing practices order for local exchange carriers (Docket No. 120,408-U) was issued on January 11, 1983. In 1986, the Commission made these standards, with a few modifications, applicable to interexchange carriers.

In its August 1, 1996 memorandum to the Commission in Docket No. 96-LEGT-670-LEG, Staff recommended that the Commission open an investigation with the objective of streamlining regulation while assuring protection of the public interest. Included in these issues were billing and collection practices. In its August 9, 1996 Order, the Commission agreed with Staff's recommendation to commence an investigation regarding various requirements affecting rates and services to assure that they remain appropriate in the new Telecommunications environment and directed Staff to proceed accordingly.

On September 16, 1997, the Commission received a memorandum outlining suggested revisions to current billing practices. The Staff memorandum set forth recommendations as well as requests for comment on many issues. In its October 3, 1997 Order, the Commission directed Staff's recommendations be circulated to interested parties for the purpose of soliciting comments. Several local exchange carriers, as well as competitive local exchange carriers and interexchange carriers filed comments.

On July 22, 2002, Staff requested that since the comments received by the Commission in Docket No. 96-GIMT-670-GIT were more than four years old and that docket had been closed, the Commission would benefit from updated information. Staff proposed the Commission open a new docket to exclusively address the telephone billing practices issue. However, this docket was never opened.

Since that time, Staff has made an attempt to update the billing practices even further using input from Consumer Protection Staff. In the changing and developing telecommunications environment, new issues such as bundling and line item charges for additional features and regulatory costs have added to the complexity of billing. As the industry continues to move towards less strict regulation of rates, consumer protection through billing practices becomes a very important issue for the Commission to address.

Staff respectfully requests the Commission open a new docket at this time and recommends the Commission request comments on Staff's revised proposed Billing Practice Standards, which has been attached as Appendix A.

Other issues the Commission should seek comment on for possible placement in the billing practices are:

- Continuation of billing after the consumer has switched to another provider or requested to disconnect service.
- Guidelines for over billing.
- Prompt attention by the provider to issues of identity theft.
- New service requests for addresses where the service was abandoned and a request for disconnection was never received by the provider.
- Confirmation that the provider is dealing with the customer of record.
- The practice of requiring a customer to call and affirmatively request the refund to which they are entitled.
- Labeling of additional charges such as "regulatory fees."

cc: Don Low
Colleen Harrell

Susan Duffy
Eva Powers

Pat Shurtz
Tom Behner