

June 20, 2004

C. Robert Wallis, Administrative Law Judge  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. SW  
P. O. Box 47250  
Olympia, Washington 98504-7250

Re: *WUTC v. Verizon Northwest Inc.*  
Docket No. UT-040788

Dear Judge Wallis:

Commission Staff submits these comments in response to Public Counsel's recommendations, filed with the Commission on June 3, 2005.

Staff reviewed the Commission's Order, and has worked with both the Company and Public Counsel to assure that the Commission's reporting requirements will be met.

Staff concludes that Verizon NW has agreed to meet each of the requirements of the Commission's Order relating to collection and reporting of information related to the Late Payment Charge. In addition, the Company has gone beyond those specific requirements of the Order and has agreed to collect the additional data requested by Staff, and most of Public Counsel's numerous additional requests for data collection.<sup>1</sup>

---

<sup>1</sup> Staff is satisfied that Verizon NW is willing to provide additional data after the initial report and subsequent reports are released. As stated in Verizon NW's June 3, 2005 letter, "Staff and Verizon NW have agreed that within 60 days of the filing of each report, Staff or other parties may submit information as to the usefulness of the data, whether additional information is needed, whether the data meets the Commission's needs, and how the report could be modified in format or data, if needed."

At this point, the information Verizon NW proposed to collect is sufficient. Accordingly, the Commission should not require Verizon NW to collect or report the information called for in the remaining disputed Public Counsel requests.

The following Public Counsel recommendations should not be required:

- **The range in dollar amounts charged to residential customers under the 1.5% fee (e.g. lowest and highest amounts), as well as the most frequent dollar amount charged to customers under the 1.5% fee, if that data is available.**

Public Counsel has not established the connection between the data it proposes to be collected and the usefulness of that data. Staff does not believe the information Public Counsel desires would be useful because the minimum dollar amount is known (\$2.50) and the highest amount is a constant percentage (1.5%) of the unpaid balance.

- **The average bill for those accounts that experience a company-initiated disconnection, per month. The Commission's Order No. 15 requires Verizon to report disconnect data, and this additional data will help the Parties understand this population.**

This is another instance where Public Counsel has not established the connection between the data it proposes to be collected and the usefulness of that data. Because the Late Payment Charge itself will not cause a customer to be disconnected, the average bill of disconnected customers is not helpful in evaluating whether the Late Payment Charge is appropriate or not. It is sufficient that Verizon has committed to report the number of company-initiated disconnects for non-payment.

- **Verizon should provide the data identified in Order No. 15 (at 27-30) with respect to business customers, as well as total revenue generated by the business late payment tariff, on a monthly and annual basis.**

Verizon NW should not be required to collect data for the business Late Payment Charge. The Commission's Order No. 17 removed the expiration date for the business tariff, and clarified that the Commission's concerns "run principally to

the effect of the proposed residential late charge tariff and not to the effect of the late charge for business customers.”

However, the Commission did not expressly eliminate data collection requirements for the business Late Payment Charge, so Verizon NW has requested clarification as to whether the reporting requirement for business customers should be eliminated.

There will be time and expense associated with collecting data relating to the business Late Payment Charge that does not appear justified at this time, given the Commission’s above-quoted statement from Order No. 17. Moreover, the Commission’s Consumer Affairs Staff will be tracking all informal complaints regarding the new late payment charge for both residence and business customers. If Staff sees a problem, it will bring this matter to the Commission and ask that Verizon NW be required to collect information relevant to the business Late Payment Charge.

Accordingly, the Commission should clarify that Verizon NW need not collect data associated with the Business Late Payment Charge at this time.

Finally, Public Counsel has raised two issues of concern, but Public Counsel provides no specific recommendation as to reporting requirements.

- **Time interval customers are given to pay their bill before a late payment fee is assessed may not be reasonable.**

This Public Counsel concern is not supported. WAC 480-120-161 (2) allows customers a minimum of fifteen days from the date the bill is mailed before payment is due. In its letter dated June 14, 2005, Verizon NW states that it “gives customers at least 22 days from the bill mailing date to pay their unpaid balance before the LPC is assessed.” Therefore, Staff believes that the inclusion in the report of past due detail at the 30, 60, and 90 day levels is adequate.

- **How to effectively analyze the impact of the late payment tariff on low-income customers. One suggestion is to conduct focus groups with residential customers.**

Staff acknowledges that it may not be simple to analyze the impact of the Late Payment Charge on low income customers. Public Counsel raises the issue, but has no specific recommendation for how to address it. Verizon NW does not ask its customers to report their income, and Staff does not propose that the Company start doing so. But focus groups are not the answer either; they would be costly and time consuming. Moreover, many questions would need to be resolved, such as: who administers the focus groups; what groups are picked; what is the "focus;" and when would the focus groups be convened. Staff is satisfied that the data Verizon NW will collect and report to the Commission will give sufficient information on the effects of the new Late Payment Charge.

Staff appreciates the opportunity to provide its comments on Late Payment Charge reporting requirements.

Very truly yours,

DONALD T. TROTTER  
Senior Counsel

DTT:kl  
cc: Parties