

[Service Date July 13, 2005]

BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKET NO. UT-040788
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	ORDER NO. 18
)	
v.)	
)	
VERIZON NORTHWEST INC.,)	ORDER DETERMINING SCOPE OF
)	DATA REPORTS
Respondent.)	
)	
.....)	

- 1 **Synopsis:** *The Commission approves Verizon’s proposal for the scope and topics on which to maintain records, analyze, and report with regard to the effect of late fees authorized earlier in this docket.*

- 2 In approving settlement rates in this docket, the Commission expressed concerns about the magnitude of proposed tariffs imposing “late charges” for customer payments that are received more than 30 days after the due date.

- 3 The Commission order provided that the tariff must be refiled to expire on December 31, 2007, and noted that the Company could re-file the tariff (or a modified tariff) after July 1, 2007, for continued operation after the authorized tariff expired. The Fifteenth Order in this docket provided that during the interim period, Commission Staff and Verizon were to consult about specific information to be reported and analyzed and were to report regularly about the operation and effect of the tariff. The Seventeenth Order clarified that all parties could participate in the consultations about data reporting.

4 The parties' consultations included the Company, the Commission Staff, and Public Counsel. Following consultations, Verizon submitted a proposal; Public Counsel asked for modifications based upon its understanding of the anticipated proposal by Verizon; Verizon responded to Public Counsel; and Commission Staff responded, supporting the Company's proposal.

5 **Verizon proposal.** Verizon reported on June 3, 2005, identifying specific requirements of the Commission's Fifteenth Order and stating its willingness to add elements at Public Counsel's request.

6 At the suggestion from Public Counsel, Verizon NW agrees to provide the following supplemental data for each report as follows:

- Distribution data regarding the length of delay in customer payment of bills (i.e. 30/60/90 days).
- Total number of residential customer accounts charged the \$2.50 late fee (per month).
- Total dollar amount applied to the bills for the \$2.50 residential late payment fee (per month).
- Total number of residential customers assessed the late payment fee of 1.5% of their outstanding bill (per month).
- Total dollar amount applied to bills for the 1.5% residential late payment fee (per month).

- Average dollar amount applied per customer for the 1.5% residential late payment fee (per month).
- Total revenues generated by the residential late payment fee, on a monthly and annual basis.

7 In addition, in each report Verizon NW will provide a description and/or explanation as to what the data mean in assessing a residential late payment charge tariff that may become effective on and after January 1, 2008.

8 **Public Counsel Concerns.** Public Counsel participated in discussions regarding the record keeping and analysis of relevant information, and commended Verizon for accepting some of Public Counsel's recommendations.

9 Public Counsel, however, urges that the following additional recommendations should be accepted:

- Tracking 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.
- Tracking 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.

10 Public Counsel stated concerns about tracking the late fee effect on low-income customers, acknowledging that the Company does not maintain records allowing the analysis. Finally, Public Counsel recommended that the Company track and analyze information relating to business customers, although

acknowledging that the Commission did not require termination of the business late fee tariff.

Verizon response.

- 11 Verizon responded to Public Counsel's request, pointing out that it accepted seven of ten Public Counsel recommendations and that an additional recommendation, relating to deposits, is irrelevant because the Company does not require deposits of its customers. Verizon urges that the additional measures sought are excessive, costly, and impractical.

Commission Staff Response.

- 12 Commission Staff responded to the Verizon and Public Counsel proposals. Staff supported Verizon, arguing that the information Verizon agreed to provide is adequate for the purposes of the docket. Staff pointed out that the parties will have the opportunity after seeing the first report to suggest changes in the reported data. Staff also supported Verizon's rejection of measures relating to business customers.

Commission Decision.

- 13 The Commission finds that the information Verizon agrees to provide is sufficient for the purposes intended and accepts the proposal stated in its letter of June 3, 2005. We thank the parties for engaging in discussions and for the breadth of the reports to be provided. As noted, the parties will have an opportunity to reprise the issue after information becomes available.

14 It is so ordered.

DATED at Olympia, Washington, and effective this 13th day of July, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PHILIP B. JONES, Commissioner