

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

Complainant,

v.

VERIZON NORTHWEST INC.,

Respondent.

DOCKET NO. UT-040788

COMMISSION STAFF LATE  
PAYMENT CHARGE  
COMPLAINTS REPORT  
FEBRUARY 15, 2006

1 Pursuant to the commission's Order No. 15 in Docket UT-040788, commission staff is filing the information required in paragraph 29:

We also direct Commission Staff to monitor the number of inquiries and the number of informal complaints about the late payment charge, and their circumstances, beginning with May 1, 2005, the effective date of the tariff, to determine the level of consumer concern and whether the charge is being applied properly and equally.

2 This is the first report, which is due by February 15, 2006. The commission ordered that the complaint information be presented by month, and then averaged for the year. That information is in Attachment No. 1 to this report.

3 During the period May 1 to December 31, 2005 (reporting period), the commission received 14 informal complaints (13 residential and 1 business) and 5

inquiries<sup>1</sup> regarding Verizon Northwest's (Verizon NW) late payment fee. The complaints were varied in nature. Several customers stated that they received their bills late, which did not allow them 15 days to get a payment to Verizon NW. Some customers didn't realize that Verizon NW could charge a late fee. Finally, a few customers stated that they paid their bills on time; however, Verizon NW didn't post the payment to their accounts in a timely manner.

4           The UTC consumer affairs staff upheld Verizon NW in 13 of the 14 informal complaints. For the single complaint in which the customer was upheld, Verizon NW waived the disputed charges for the customer's service, which eliminated the associated late payment. Also, Verizon NW issued credits to approximately half the complainants.

5           During the reporting period, complaints regarding late payment fees against other local telephone service providers were lower than the number of complaints against Verizon NW, with no more than five complaints against any one company. Commission staff believes it is reasonable to conclude that Verizon NW's complaint levels were higher because Verizon NW had not assessed late payment fees in the past, and that the new charge on customers' bills was unfamiliar or appeared unfair to some customers. Subsequent reports will reveal whether the level of complaints goes down as customers become familiar with the fact that they pay more when they pay late.

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<sup>1</sup> The "inquiries" system is a database which records complaints that are not sent to the company for response. In most cases, an "inquiry" involves a situation where the problem has been resolved, or where the company has not violated any rules, yet the customer wants the commission to record its comments.

6

While Verizon NW had more informal complaints and inquiries than other companies regarding late payment fees, the trend seems to be going down. At this time, the small number of complaints and the very high proportion of instances where the company was upheld cause staff to conclude that there is not a high level of consumer concern about the charge and that the charge is being applied properly and equally. Commission staff will continue to collect and monitor Verizon NW late payment fee informal complaints and inquiries, and recommend changes if necessary.

DATED this 15<sup>th</sup> day of February, 2006.

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