

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET UT-040788
TRANSPORTATION COMMISSION,	)	
	)	ORDER 19
Complainant,	)	
	)	
v.	)	
	)	ORDER SUSPENDING TARIFF
VERIZON NORTHWEST INC.,	)	REVISION AND EXTENDING
	)	EXPIRATION DATE
Respondent.	)	
.....	)	

**BACKGROUND**

1 On April 12, 2005, the Washington Utilities and Transportation Commission (Commission) issued a final order (Order 15) in Docket UT-040788, Verizon Northwest Inc.’s (Verizon) most recent general rate case. The order approved a settlement by parties to the docket. In the settlement, the parties agreed that Verizon should institute a late payment charge (LPC) for customers of \$2.50 (residential) or \$5.00 (business) or 1.5%, whichever is greater. The Commission approved the settlement, but ordered Verizon to refile the LPC tariff with a December 31, 2007, expiration date. The Order also provided that Verizon and Commission staff should gather data and submit reports about the tariff’s effect. Verizon refiled the tariff to reflect the expiration date. The Commission later removed the expiration date from the LPC for business customers. *See Order 17, May 5, 2005.*

2 Order 17 also clarified that the Commission would review information submitted by the parties about the effect of the late payment charge on residential customers, and that it would consider in its review whether the proposed tariff is fair, just, and reasonable. The order encouraged Commission staff, Public Counsel and Verizon to review the information jointly and to participate in developing an LPC tariff to go into effect in January 2008. The order also held that, if the proposed replacement tariff were suspended, the Commission would extend the expiration date until the conclusion of the review and such further period as the order on review of the tariff may specify.

3 On July 2, 2007, Verizon filed Advice 3252, to remove the December 31, 2007,  
expiration date from its residential late payment charge, but to leave the tariff  
otherwise unchanged.

4 The late payment charge Verizon proposes to make permanent is higher than most  
other late payment charges approved by the Commission. Its effect on customers is  
currently under review by the Commission. Because its continuation might  
injuriously affect the rights and interests of the public and Verizon has not  
demonstrated that its continuation would result in rates that are fair, just, and  
reasonable, the Commission suspends the tariff filing and will hold public hearings if  
necessary to determine whether the proposed late payment charge is fair, just and  
reasonable. The Commission will extend the expiration date of the current residential  
late payment charge tariff for 90 days.

#### FINDINGS AND CONCLUSIONS

5 (1) The Washington Utilities and Transportation Commission is an agency of the  
state of Washington vested by statute with the authority to regulate rates,  
regulations, practices, accounts, securities, and transfers of public service  
companies, including telecommunications companies. *RCW 80.01.040,*  
*RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16, and RCW 80.36.*

6 (2) Verizon is a telecommunications company and a public service company  
subject to the jurisdiction of the Commission.

7 (3) This matter came before the Commission at its regularly scheduled meeting on  
November 28, 2007.

8 (4) The tariff revision Verizon filed on July 2, 2007, would make permanent a late  
payment charge by Verizon, and might injuriously affect the rights and interest  
of the public.

9 (5) Verizon has not yet demonstrated that the tariff revision would result in a rate  
that is fair, just and reasonable.

- 10 (6) As required by RCW 80.04.130 (4), Verizon bears the burden of proof to show that the proposed residential late payment charge is fair, just, and reasonable.
- 11 (7) As contemplated in Order 17 in this proceeding, the Commission may extend the expiration date of Verizon's residential late payment charge until the conclusion of the review and such further period as the order on review of the tariff may specify.
- 12 (8) The Commission finds it reasonable to extend the expiration date to allow an additional 90 days to review this matter.

**ORDER**

**THE COMMISSION ORDERS:**

- 13 (1) The tariff revision filed by Verizon Northwest Inc. on July 2, 2007, is suspended.
- 14 (2) The Commission extends the expiration date of Verizon Northwest Inc.'s current residential late payment charge tariff until February 26, 2008.

DATED at Olympia, Washington, and effective November 28, 2007.

**WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION**

**MARK H. SIDRAN, Chairman**

**PATRICK J. OSHIE, Commissioner**