

Bob,

Here are some further thoughts from Public Counsel on the issue of addressing customer deposits in the proposed emergency rule, 480-120-083.

The existing rule on deposits, WAC 480-120-056 Establishment of Credit, does provide that "Upon termination of service, the telecommunications company shall return to the subscriber the amount then on deposit plus accrued interest, less any amounts due the telecommunications company by the subscriber for service rendered on the telephone account for which the deposit was collected." Subsection 11(b). The statutory authority cited for this rule is RCW 80.01.040.

We would suggest including language in the emergency rule to reference WAC 480-120-056. Also, we suggest that the emergency rule make clear that the telecommunications company has no direct ownership interest in currently held deposits, only a conditional interest in the event of a subscriber default in payment. It might also be a good idea to require subscriber deposits to be separately placed in an interest-bearing escrow account, with a reporting mechanism for review by the UTC. In the event that a company ceases business operations or ceases to offer covered services, there may be a need for the UTC to have access to such a trust account, in order to issue refunds to subscribers.

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> -----Original Message-----

> From: Kimball, Mary (ATG)
> Sent: Tuesday, April 24, 2001 10:31 AM
> To: 'Bob Shirley'
> Cc: Cromwell, Robert (ATG)
> Subject: 480-120-083

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> Bob,

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> As per our telephone conversation earlier today, we have just a few

> comments regarding the proposed emergency rule, WAC 480-120-083
Cessation
> of Certain Telecommunications Services.
>
> Public Counsel generally supports this proposed emergency rule. Our
only
> comment at this point is whether the rule should address the issue of
> customer deposits. For example, subsection 3 (a) could perhaps be
> modified to include a provision that notice to the UTC should include
> information about the status of currently held customer deposits.
> Similarly, subsection 3 (b) could be modified to include a provision
that
> notice to customers should include information about the status of any
> deposits held by the company.
>
> We are trying to get some information around how such customer
deposits
> would be treated during a bankruptcy proceeding, but given the tight
time
> frame it may be difficult to gather this prior to tomorrow.
Nevertheless,
> I will be at the open meeting to support Staff's recommendation.
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> Let me know if you have any questions or would like to discuss this
> further.
>
> Warm regards,
> Mary Kimball
>
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