

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET UT-130701
)	
Qwest Corporation d/b/a CenturyLink)	ORDER 01
QC)	
)	ORDER GRANTING EXEMPTION
Petitioner,)	FROM RULE AND MODIFICATION
)	SUBJECT TO CONDITION
Seeking Partial Exemption from the)	
Provisions of WAC 480-120-161(2))	
.....)	

BACKGROUND

- 1 On May 6, 2013, Qwest Corporation d/b/a CenturyLink QC (CenturyLink or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition for exemption from two requirements of WAC 480-120-161(2). The first requires the Company to provide a due date on its billing statements, and the second requires a 15-day interval between the mailing of a bill and the date payment is due.

- 2 CenturyLink explains that its request for exemptions applies only to two payment options, AutoPay and Direct Payment Option (DPO). With AutoPay, a customer's monthly payment is automatically withdrawn from a designated bank account, but the customer's electronic or paper bill does not bear a due date. Instead, the bill states, "Your payment will be made from your checking or savings account approximately 18 days after your bill date." With DPO, the customer receives a monthly bill and payment is automatically charged to a credit or debit card. The DPO bill also does not bear a due date but states, "Payment will be charged to your credit card within 5 days after your bill date."

- 3 CenturyLink seeks an exemption from the requirement that bills for both payment options bear a due date. The Company explains that the bills already state the payment interval and contends that adding the language "due date" is superfluous. CenturyLink believes that including a due date when a customer has voluntarily entered into an automatic payment arrangement may be confusing.

- 4 CenturyLink also seeks an exemption from the requirement that the interval between a bill date and the date that the payment is charged to a credit or debit card be at least 15 days. Instead, the Company requests a five-day interval date for DPO only. The

Company states that “[e]xemption is in the public interest because these special payment arrangements do not require the type of notice that the rule otherwise requires.”

- 5 Commission Staff reviewed CenturyLink’s petition and agrees with the Company that the words “due date” could cause customers to believe that action is required when it is not. Staff believes that the language on the Company’s AutoPay and DPO bills adequately advises customers when funds will be withdrawn from their bank accounts or charged to their credit or debit cards.
- 6 Staff believes that a requested five-day interval between the day the bill is issued and the date payment is charged to a credit or debit card is insufficient for CenturyLink’s DPO customers. If a customer opts to receive the bill by mail, it may arrive on the same day that payment is charged. This would give the customer very little time, if any, to question or dispute a bill prior to making payment. Even for customers that receive electronic bills, a full five days may still be insufficient to question or dispute charges.
- 7 On October 9, 2013, CenturyLink filed a list of “talking points” with the Commission. In those talking points, CenturyLink states that no customers have complained about the five-day interval and that Commission rules do not require the Company to accept credit or debit card payments, so customers have the option to choose another payment method if they feel the need to have 15 days before paying the billed charges. CenturyLink adds that changing its computer system to implement a longer interval just for the state of Washington “would cost upwards of \$50,000 with no real customer benefit.”¹ CenturyLink repeated most of these same points at the Commission’s Open Meeting on October 10, 2013.
- 8 Commission Staff responded at the Open Meeting that without further investigation, Staff cannot definitively state whether any customers have complained specifically about the five-day interval. Staff also stated that the 15-day interval remains an important safeguard in these circumstances because some customers may need that time to manage their credit or debit card accounts to avoid exceeding their credit limits.

¹ October 9, 2013 Talking Points at 2.

DISCUSSION

- 9 WAC 480-07-110 provides that the Commission may grant an exemption from, or modify the application of, its rules in individual cases if consistent with the public interest and the purposes of the underlying regulation:

The standard for consideration is the public interest standard. Factors the commission may consider include whether application of the rule would impose undue hardship on the requesting person, of a degree or a kind different from hardships imposed on other similarly situated persons, and whether the effect of applying the rule would be contrary to the underlying purposes of the rule.

We agree with Staff and the Company that requiring the words “due date” on AutoPay and DPO bills is unnecessary and potentially confusing. The underlying purpose of the Commission’s regulation is to provide notice of an action that affects a customer, and that purpose is served by the language the Company now provides on its bills.

- 10 We find, however, that CenturyLink has identified sufficient grounds for an exemption to the Commission’s rule requiring 15 days’ notice before payment is due. The purpose of the rule is to provide consumers with adequate notice of their financial obligations. CenturyLink has been providing only five days’ notice for some time, and the lack of any customer complaints is a significant indication that such notice is sufficient for the Company’s DPO customers and thus consistent with the rule’s intent and the public interest. We nevertheless seek additional assurance of this fact and so modify the application of the 15-day interval to require only a five-day interval for CenturyLink’s DPO customers on condition that the Company report back to the Commission on or before October 10, 2014, with information on the extent to which customers find the five-day notice period sufficient, including but not necessarily limited to identifying any consumer complaints regarding that interval.

FINDINGS AND CONCLUSIONS

- 11 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate public service companies, including telecommunications companies.

- 12 (2) CenturyLink is a telecommunications company and a public service company subject to Commission jurisdiction.
- 13 (3) The Commission may grant exemptions from its rules if the exemptions are consistent with the public interest, the purposes underlying the regulations, and applicable statutes.
- 14 (4) This matter came before the Commission at its regularly scheduled meeting on October 10, 2013.
- 15 (5) WAC 480-120-161(2) requires companies to include due date information on customers' bills to inform them when their payment is due.
- 16 (6) The language CenturyLink includes in its AutoPay and DPO bills fulfills the purpose of the rule by informing its customers when the Company will obtain payment by withdrawing funds from the customer's account or charging the customer's credit or debit card.
- 17 (7) CenturyLink's requested exemption from the requirement in WAC 480-120-161(2) to include "due date" language on AutoPay and DPO bills is in the public interest and consistent with the purposes underlying the regulation and applicable statutes.
- 18 (8) WAC 480-120-161(2) requires that customer bills allow a minimum of fifteen days from the date of mailing to the date payment is due to give customers adequate time to review their bills and, if necessary, question or dispute the charges and submit payment.
- 19 (9) CenturyLink has been providing DPO customers with an interval of only five days from the date of transmitting the bill to the date payment is due and has received no complaints from these customers that this interval provides insufficient time for customers to review and raise any questions or disputes about their bills prior to paying them.
- 20 (10) Reducing the notice in WAC 480-120-161(2) from 15 to five days is consistent with the intent of the rule and the public interest, subject to the Company reporting on its customers' experience with the reduced interval over the next year.

ORDER

THE COMMISSION ORDERS:

- 21 (1) CenturyLink’s petition for exemption from the requirement of WAC 480-120-161(2) to include the words “due date” on its AutoPay and Direct Payment Option bills is GRANTED.
- 22 (2) CenturyLink’s petition for exemption from the requirement of WAC 480-120-161(2) to provide its Direct Payment Option customers 15 days’ notice before their bills are due is GRANTED in part to modify the requirement to a notice period of five days, subject to the condition that CenturyLink report in writing to the Commission on or before October 10, 2014, on the extent to which customers find a five-day notice period insufficient, including but not necessarily limited to identifying any consumer complaints.

DATED at Olympia, Washington, and effective October 10, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner