

Agenda Date: October 10, 2013
Item Number: A1

Docket: UT-130701
Company: Qwest Corporation d/b/a CenturyLink QC

Staff: John Cupp, Consumer Protection
Tim Zawislak, Telecommunication

Recommendation

1. Grant Qwest Corporation d/b/a CenturyLink QC's request for exemption from WAC 480-120-161(2) as it applies to the term "due date."
2. Deny the request for exemption from WAC 480-120-161(2) as it applies to the 15-day bill-to-payment interval.

Discussion

On May 6, 2013, Qwest Corporation, d/b/a CenturyLink QC (CenturyLink), filed a petition requesting a partial exemption from WAC 480-120-161(2) which requires billing statements to provide a payment "due date" that allows customers a minimum of fifteen days to pay a bill from the date of mailing. The company seeks the exemption only as it applies to two of the newer payment options: AutoPay and Direct Payment Option (DPO).

With AutoPay, a customer's monthly payment is automatically withdrawn from a designated bank account. The customer may choose to receive either an electronic or paper bill. The bill does not have a "due date." Instead, the bill says that the payment will be withdrawn from the account in approximately 18 days. In its petition, CenturyLink explains that using the term "due date" on an AutoPay bill can mistakenly lead customers to believe that further action is required. For the AutoPay option, the company seeks exemption only from the portion of the rule that requires a "due date" to appear on the bill.

With DPO, the customer receives a monthly bill, electronic or paper, and payment is automatically charged to a credit card. The bill does not have a specific "due date." The interval between the bill date and the payment date with DPO, however, is only five days. For this payment option, the company seeks exemption from both the due date requirement and the fifteen day interval requirement.

Staff believes that a five-day interval between the day the bill is issued and the date payment is automatically withdrawn is insufficient under CenturyLink's DPO program. If a customer opts to receive the notice by mail, the notice may arrive on the same day that payment is withdrawn. This would give the customer very little time, if any, to question or dispute a bill. Even for

customers who receive electronic notice, a full five days may still be insufficient to question or dispute charges.

The company argues that its DPO program is controlled on a national level and reprogramming it for a single state would be inefficient for its billing system and its customer service representatives, as well as other operational factors.

Staff recommends that CenturyLink continue follow the current rule and allow every customer fifteen days from the date of bill mailing for payment. For those customers who receive electronic notice, Staff recommends that they also be allowed fifteen days for payment, consistent with the spirit of the rule.

Conclusion

Based on its analysis of the company's petition and responses to staff inquiries, staff agrees with the company that the words "due date" could cause customers to believe action is required when it is not. Staff agrees that the company's alternative language will help to avoid such confusion. Staff therefore recommends that the exemption from the requirement that the term "due date" appear on billing statements be granted for both forms of billing (AutoPay and DPO).

Staff recommends the exemption from the 15-day interval (as it applies to the DPO option) be denied.