

Agenda Date: September 24, 2003
Item Number: A4

Docket: UT-031123
Company: Verizon Northwest Inc.

Staff: Tani Thurston, Regulatory Analyst

Recommendation:

Issue an Order in Docket UT-031123 denying Verizon Northwest Inc.'s petition for a permanent exemption from WAC 480-120-104. Instead, allow a temporary two-year exemption from WAC 480-120-104 for certain private business customers and institutional accounts such as state and local government agencies and school districts on the condition that Verizon designates account teams to work directly with these customers.

Discussion:

On July 11, 2003, Verizon Northwest Inc., (Verizon) filed a petition requesting an exemption from WAC 480-120-104, adopted by the Commission in Docket No. UT-990146 (General Order R-507, December 16, 2002) with an effective date of July 1, 2003.

In WAC 480-120-104, Information to consumers, telecommunications companies are required to provide welcome letters to applicants regarding the services the applicant initially obtains from the companies. In addition, this rule requires the companies to provide confirmation notices to its customers when there are changes in services, rate schedules, terms, or conditions of their existing service.

Verizon is requesting a permanent waiver of WAC 480-120-104 for a segment of its business customers. Specifically, Verizon is requesting an exemption for business accounts that are designated as Enterprise accounts, including all institutional accounts for state and local government, school district accounts, and certain private business accounts.

Verizon will provide confirmation notices and welcome letters to residential customers and to those private business customers who are not designated as Enterprise accounts. These notices and letters include the information required in this rule.

Verizon designates account teams to work directly with Enterprise accounts. Each year Verizon sends each Enterprise customer written notice of its assigned account team with contact information for questions regarding billing, ordering, and repair. In most cases, the communication between Verizon and the Enterprise customers are handled electronically, including confirmation notices sent by e-mail. When electronic communication is not used, Verizon is in frequent communication with these customers.

Verizon states that its account teams meet regularly with the Enterprise customers, resulting in far more service orders than for residential or small business customer accounts. Issuing notices for every material change would be burdensome and confusing for an Enterprise customer.

Staff understands Verizon has account teams specifically assigned to its Enterprise customers, unlike its residential and other business accounts. Staff is uncomfortable, however, that Verizon does not use objective criteria to determine which private business accounts will be designated as an Enterprise account. Verizon states that Enterprise accounts are generally created for larger revenue accounts. The company may change the Enterprise account designation based on variables such as the revenue benchmarks, Verizon's available resources, and customer activity needs. Verizon states it will notify any customer that loses its Enterprise account designation of the change in account status in writing, verbally, or electronically. Staff is concerned that it will be difficult for the Commission to determine compliance with this rule when it does not know which business is assigned an account team as an Enterprise account and which business is not. Verizon states that a business customer knows if it has an Enterprise account.

Verizon commits that it will fully comply with the rule in providing notices and letters to all customers not designated as an Enterprise account. Staff notes that the Commission receives almost no complaints about unexpected charges from Verizon's business customers.

On July 9, 2003, the Commission granted Qwest Corporation's petition in Docket UT-030939 for a temporary two-year exemption from these rules for similar reasons. In Qwest's case, Staff agreed to collect information about business customer complaints for the two-year period. Staff agrees to collect the same information for Verizon business customers.

Conclusion:

Issue an Order in Docket UT-031123 denying Verizon Northwest Inc.'s petition for a permanent exemption from WAC 480-120-104. Instead, allow a temporary two-year exemption from WAC 480-120-104 for certain private business customers and institutional accounts such as state and local government agencies and school districts on the condition that Verizon designates account teams to work directly with these customers.