

R12-17 DISCONNECTION, DENIAL, AND BILLING OF TELEPHONE SERVICE.

(a) For purposes of this rule, the following definitions shall apply:

- (1) For purposes of this rule, "Local service" includes basic local exchange service (including extended area service [EAS]), expanded local calling (ELCA), and any other NCUC-regulated telephone service offered by a single corporate entity within a single LATA.
- (2) "Charges for local service" include charges for local service, as defined in Rule R12-17(a)(1), the state sales tax and federal excise tax associated with local service, the subscriber line charge (SLC), the primary interexchange carrier charge (PICC) applied by and on behalf of the local carrier, the local number portability (LNP) charge, and state and federal universal service surcharges applied by and on behalf of the local carrier. "Charges for local service" do not include charges applied by the local carrier on behalf of another carrier or entity, the E911 and telecommunications relay service surcharges or other nonregulated charges, e.g., charges for intraLATA toll service, interLATA toll service, or operator service, charges for voicemail, Internet service, inside wiring, customer premises equipment, and wireless service.
- (3) "Bundled local service" is a combination of local service, as defined above, and one or more other services, either regulated or nonregulated, which are offered either by a local service provider alone, or by a local service provider jointly with one or more other entities.
- (4) "Toll denial" is the blocking of an end user's ability to place intraLATA and interLATA toll calls. Such intraLATA and interLATA toll calls include all interexchange calls which are not included in an end user's charges for local services. "Toll service" includes the provision of such interexchange calls, whether charged to the end user on a per call or flat fee basis. "Global toll denial" occurs when the local service provider blocks the end user's access to toll services, whether offered by the local service provider or an interexchange carrier, by restricting dialing patterns that access toll services in accordance with Rule R12-17(d)(3). "Selective toll denial" occurs when access is blocked to one carrier's toll facilities, but the end user is able to access another carrier's facilities for completion of toll calls.
- (5) "Unbundled MTS" is intraLATA measured toll service not provided on a significantly discounted or flat rate basis as part of a package with local service.

(b) No telephone utility may disconnect local service or bundled local service to residence customers for nonpayment of past due charges except in accordance with these principles:

- (1) Local service may be disconnected for nonpayment of past due charges for local service provided by the telephone utility as a single corporate entity.
- (2) Bundled local service may be disconnected for failure to pay the total past due charges for the service.
- (3) If a customer fails to pay the past due balance for bundled local service in full, a notice will be provided advising the customer of the total amount that needs to be paid to avoid disconnection. For telephone utilities who offer unbundled local service, the notice will provide instructions on how the customer may avoid discontinuation of basic local service if he is unable or unwilling to pay the full amount owed for the bundled local service; otherwise the customer's basic local service will be discontinued when the bundled local service is disconnected. When the account is paid in full, the customer may contact the telephone company and request reconnection of the bundle.
- (4) If the customer chooses to convert to unbundled local service, and if the regulated past due balance owed for local service or a surrogate amount has been paid in full or is sufficiently current, the telephone utility will continue to provide the customer with the customer's current local service. If toll service charges remain unpaid, global toll denial may be imposed, after appropriate notice under Commission rules. The notice of global toll denial will also advise the customer that the customer may subscribe to any local services, as defined in Rule R12-17(a)(1), offered by the utility.
- (5) If a customer's local service has been disconnected for nonpayment, the telephone utility will re-establish local service with the local service option of the customer's choice, provided that the customer pays the regulated past due balance owed for local service. This provision applies whether service was disconnected before or after implementation of this rule.
- (6) If the telephone utility does not provide local service on an unbundled basis, Rules R12-17(b)(3)-(5) will not apply, and the telephone utility may require the customer to pay the past due balance owed (excluding amounts billed by the telephone utility on behalf of third parties for service other than the bundled service) before bundled local service is restored.

- (7) A telephone utility may not disconnect a customer's local service, nor impose global toll blocking, for nonpayment of disputed charges.
 - (8) If a residence customer under global toll denial incurs charges for toll service which are billed on the customer's local telephone bill, by abuse or fraud, which includes the obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain, toll service message telecommunications service by rearranging, tampering with, or making connection with any facilities of the telephone utility, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the regular charge for such service, the telephone utility may discontinue the customer's local service.
- (c) Partial payments to telephone utilities. In the absence of the customer's or agent's instruction to apply the payment otherwise, partial payments will be allocated as follows: first to local service, and second to other service, except that if a partial payment is within \$1.00 of the past due amount, the payment may be allocated first to past due local service and second to other past due service.
- (d) Global toll denial for residential telephone customers.
- (1) A local service provider may impose global toll denial for failure to pay any of the following charges:
 - (A) Charges for unbundled interLATA toll service and unbundled intraLATA MTS (whether carried by the preferred interexchange carrier (PIC) or by using dial-around services (101XXXX));
 - (B) Charges for collect interLATA and intraLATA toll calls;
 - (C) Charges for interLATA and intraLATA toll service that is provided by a third party as part of a bundle offered jointly with the local service provider;
 - (D) Charges for toll calls made through 8XX toll-free numbers which result in charges for regulated services being billed back on the local service provider bill; or
 - (E) Charges for international calls to information service providers (ISPs) on the third occasion as addressed in Rule R12-17(g) below.
 - (2) A local service provider may not impose global toll denial for failure to pay charges for:
 - (A) Calls to 900 numbers and nonregulated charges other than toll services; or
 - (B) International calls to ISPs on the first and second occasion as addressed in Rule 12-17(g) below.
 - (3) When global toll denial is imposed, the local service provider may block the customer's ability to place interLATA and intraLATA toll calls. The customer's current local service will not be impaired and the utility will provide the customer with local service in accordance with Rule R12-17(b)(4). Further, the global toll denial mechanism may not block 8XX toll free numbers; except that a local service provider may choose, at its discretion, to block certain 8XX toll free numbers that result in toll charges being billed on the customer's local telephone bill. Local service providers may also provide, at their discretion, other blocking services to a customer when global toll blocking is imposed, such as blocking of all 8XX toll free numbers, if the customer affirmatively chooses such blocking services.
 - (4) Global toll denial will not block access to expanded local service or toll service that is included along with local service in a bundle of services for which the customer pays a flat monthly rate.
 - (5) Global toll denial includes billed number screening.
- (e) Regulated service may not be discontinued for failure to pay nonregulated charges, except in the case of nonregulated services included in bundled local service offered by a carrier which does not offer unbundled local service.
- (f) No telephone utility providing local telecommunications service or intrastate long distance service shall discontinue a customer's service for nonpayment of Designated Services. For purposes of this rule, the term "Designated Services" means 900 service, 976 service, or 500 or 700 service when such service is used in a 900-like manner. In such cases the telephone utility shall follow these procedures:
- (1) If the subscriber is willing to make payments, the telephone utility shall attempt to make reasonable arrangements for payment.
 - (2) If the subscriber challenges the bill or is otherwise unwilling or unable to pay, the telephone utility shall remove the charges from the customer's bill on the first occasion and shall offer the subscriber free blocking of Designated Services. If the subscriber declines to allow the free blocking, the telephone utility must inform the subscriber in writing that any charges incurred after that date will result in blocking of Designated Services.

- (3) On the second occasion that the subscriber challenges the bill, or is unwilling or unable to pay, the telephone utility shall remove the charges from the subscriber's bill and shall impose free blocking of Designated Services on the subscriber.
- (g) No telephone utility providing local telecommunications service or intrastate long-distance service shall discontinue a customer's service for nonpayment of international calls to information service providers except as provided herein. In such cases, the telephone utility shall follow these procedures:
- (1) If the subscriber is willing to make payments, the telephone utility shall attempt to make reasonable arrangements for payment.
 - (2) If the subscriber challenges the bill, or is otherwise unwilling or unable to pay, the telephone utility shall remove the charges from the subscriber's bill on the first occasion. The local carrier shall offer the subscriber free global toll denial.
 - (3) If, after the first occasion, the subscriber incurs additional charges for international calls to information service providers and challenges the bill, or is unwilling or unable to pay, even in installments, the telephone utility shall remove the charges from the subscriber's bill. The local carrier shall offer the subscriber free global toll denial and shall advise the subscriber in writing that any additional charges incurred will not be removed and will result in imposition of global toll denial unless the charges are paid. If the IXC does its own billing and intends eventually to apply selective toll denial for nonpayment of such charges, the IXC shall advise the subscriber in writing that any additional charges incurred will not be removed and will result in imposition of selective toll denial unless the charges are paid.
 - (4) If the subscriber incurs additional charges for international calls to information service providers after charges have been removed on two previous occasions, and after written notice as described above, and the subscriber refuses to pay the additional charges or to commit to and honor reasonable payment arrangements for the additional charges upon demand, the local carrier may impose global toll denial on the subscriber's lines and the IXC may impose selective toll denial.
- (h) Treatment of debts for telephone service that are more than three years old.
- (1) No telephone utility may deny local service to a customer for nonpayment of charges that were incurred more than three years prior to the date of such denial, unless the utility filed and is actively pursuing a pending court action or has secured a valid court judgment for nonpayment of local charges within three years of the date when such charges were incurred. No telephone utility may deny bundled local service to a customer for nonpayment of charges that were incurred more than three years prior to the date of such denial; provided that the utility may deny bundled local service to a customer for nonpayment of charges for local or bundled local service if it filed and is actively pursuing a pending court action or has secured a valid court judgment against the customer for nonpayment of such charges within three years of the date when the charges were incurred.
 - (2) A telephone utility may deny unbundled toll service to customers for nonpayment to that utility of outstanding charges for unbundled toll service that are more than three years old only through selective toll denial. Provided, that this provision shall not impose an affirmative duty on the utility to suspend global toll denial on its own initiative after such three year period. However, if a customer requests that the utility suspend global toll denial after such time, the utility may not continue to impose global toll denial for nonpayment of such a debt. A telephone utility may impose global toll denial for debts that are more than three years old if the utility filed and is actively pursuing a pending court action or has secured a valid court judgment for nonpayment of such charges within three years of the date when such charges were incurred.
- (i) Disconnect notices, billing statements and bundled customer notification for telephone utilities.
- (1) Disconnect notices.
 - (A) Local carriers.
 - (i) Disconnect notices for residence customers shall state clearly the minimum amount that must be paid in order to maintain local service and the minimum amount that must be paid in order to maintain both local and toll service.
 - (ii) Disconnect notices for residence customers who are subject to the imposition of global toll denial shall clearly describe the type of toll blocking that will be imposed if charges for toll services are not paid. The notice shall offer the customer the option of maintaining his or her choice of available local service options and shall inform the customer as to what local service will be provided by the carrier if the

customer does not express a preference. The notice shall also advise the customer of his responsibility for paying for any calls that appear on his bill as a result of not blocking ELCA calls.

- (iii) For telephone utilities who offer unbundled local service, disconnect notices for residence customers will provide instructions on how the customer may avoid discontinuation of basic local service if he is unable or unwilling to pay the full amount owed for the bundled local service, and should specify the amount due to maintain local service; otherwise the customer's basic local service will be discontinued when the bundled local service is disconnected. For carriers that offer only bundled local service, disconnect notices shall clearly state the minimum amount that must be paid in order to maintain the bundled local service.
 - (B) IXCs. Disconnect notices shall clearly state the minimum amount that must be paid in order to maintain toll service.
 - (C) Periodic notification of disconnect policy. Carriers that bill customers for local service and IXCs that bill customers directly shall provide periodic notification of the disconnect policy established by this Rule to all customers through a bill insert or special mailing issued immediately after the implementation of these rules and annually thereafter.
- (2) Billing statements.
- (A) Where the services of any provider other than the billing utility are stated, the name of the service provider offering the service and a toll-free contact number or numbers for the service provider shall be clearly and conspicuously identified. The toll-free contact number for the service provider may be a number of the company that handles the inquiry for the service provider.
 - (B) Language must appear on the bill clearly explaining the consequences of failing to pay particular charges shown on the bill. Such language must be prominently displayed either on the summary page of the bill or in close proximity to the specific charges to which it applies, or in a section dedicated to that purpose.
 - (C) Language, prominently displayed, must also appear on the bill clearly identifying either those charges for which nonpayment will not result in disconnection of local service or the amount that must be paid in order to prevent disconnection of local service.
 - (D) If a telephone utility bills for a bundle of services offered in part by a third-party provider, the name of the third-party provider, with the associated toll-free contact information, must be identified on the bill as a co-provider of the bundle. If the third-party provider is affiliated with the billing utility, and the billing utility is authorized and capable of responding to customer inquiries on behalf of the third-party provider, this requirement is not applicable.
 - (E) The billing format must be in accordance with the FCC's Truth in Billing regulations. Interested parties are free to seek additional billing format changes in the public interest.
- (3) Bundled Customer Notification: Whenever a residence customer subscribes to bundled local service, concurrent with the customer's first billing statement, notification must be provided by a bill insert, bill message, or direct mail (including email when affirmatively selected by the customer) as set forth below, and a similar bill insert, bill message, or direct mail (including email when affirmatively selected by the customer) must be sent to the customer annually thereafter. The bill insert, bill message, or direct mail (including email when affirmatively selected by the customer) shall read as follows:
- (A) For local carriers who offer unbundled local service:
You are a subscriber to a bundled local telephone service. **Please note** that if you do not pay your **entire** bill for bundled local service, **all** components of the bundled local service are subject to disconnection. However, before your bundled local service is disconnected, you will have the option of maintaining local service by paying the regulated past due balance owed for unbundled local service.
 - (B) For local carriers who offer only bundled local service:
You are a subscriber to a bundled local telephone service. **Please note** that if you do not pay your **entire** bill for bundled local service, **all** components of the bundled local service are subject to disconnection. You do not have the right to retain selected components of the bundled local service by paying for only those components.

- (C) Modification of bill insert, bill message, or direct mail (including email when affirmatively selected by the customer) requirements may be requested to address jurisdictional conflicts and other legitimate issues on an individual basis.

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