(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE AMENDMENTS TO RULES GOVERNING CUSTOMER RELATIONS RULES FOR TELEPHONE CORPORATIONS, IDAPA 31.41.01.000 ET SEQ. | ))))))) | CASE NO.  31-4101-9801NOTICE OF PROPOSEDRULEMAKING |

BY THIS NOTICE WE PROPOSE to amend the Commission’s Customer Relations Rules for Telephone Corporations (IDAPA 31.41.01).  The Commission’s Customer Relations Rules for Telephone Corporations (hereinafter the Customer Relations Rules) were last updated in 1995.  Idaho Code §§ 61-302, 61-502, 61-507, 62-605, 62-615, 62-616 and 62-622 authorize the Commission to promulgate Customer Relations Rules for telephone companies.

The Commission’s proposed changes fall into four principal categories:  changes to address concerns about “cramming” (invalid or unclear charges for services other than local exchange services), “slamming” (unauthorized switching of customers’ exchange carriers), held orders, and certain “housekeeping” changes to reflect its current mailing address, correct typos and stray words, insure consistency, provide clarification and other non-substantive changes.

More specifically, the Commission is proposing new rules and changes to existing rules to clearly inform customers who are billed for services other than local exchange service about their remedies and to make clear that local exchange service cannot be disconnected for failure to pay these disputed charges.  Consistent with those changes, the proposed rules would change the way partial payments are automatically allocated.  Partial payments would beapplied toward regulated local exchange service charges first, unless the customer requests otherwise, and additional payments would be allocated among the remaining providers based upon the ratio of the undisputed amount due each service provider to the undisputed total amount billed.  Under the existing rules, partial payments are automatically prorated among all the service providers.

New language is also proposed that prohibits telephone companies from billing for unanswered or unaccepted telephone calls, telephone calls placed to a toll-free number, or telephone service, or for other service(s) or merchandise not ordered or otherwise authorized by the customer of record.  It further requires telephone companies to remove charges for these services from the customer’s bill no later than two billing cycles following notice to the telephone company.

A new rule, designed to address Staff concerns over the growing problem of held-orders, would establish standards for installation and require telephone companies to credit customer accounts for an amount equal to the service installation charge plus the rate for one (1) month of basic local exchange service if they fail to meet those standards.

The Commission also proposes a rule to address the growing problem created by unauthorized switching of a customer’s local or interexchange telephone service called “slamming.”  This rule is consistent with S.B. 1510 and with current Federal Communications Commission  rules addressing slamming.

Two appendices are attached to this Notice of Proposed Rulemaking.  Appendix A is a Notice of Proposed Rulemaking suitable for transmission to the administrative rules coordinator.  Appendix B is the proposed rule in legislative format showing the proposed amendments to the rules.  As explained in Appendix A, the comment deadline for this Notice of Proposed Rulemaking is AUGUST 26, 1998.

NOTICE OF PROPOSED RULEMAKING

The Idaho Public Utilities hereby gives notice of its proposal to amend its rules governing customer relations rules for telephone corporations, IDAPA 31.41.01.000 et seq. pursuant to Idaho Code § 61-515.  The proposed amendments to the Customer Relations Rules for Telephone Corporations are contained in Appendix B.

PROPOSED by the Idaho Public Utilities Commission at Boise, Idaho this                     day of June 1998.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

N:41019801.cc1

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

June 19, 1998