Q.Please state your name and address for the record.

A.My name is Carol J. Cooper and my business address is 472 West Washington Street, Boise, Idaho.

Q.By whom are you employed and in what capacity?

A.I am employed by the Idaho Public Utilities Commission as a Utilities Compliance Investigator in the Consumer Assistance Section.

Q.Are you the same Carol Cooper who previously filed Direct Testimony in this proceeding?

A.Yes, I am.

Q.What is the purpose of this surrebuttal testimony?

A.I address issues raised by John Souba in his rebuttal testimony concerning rule violations, white page listings, bill format, toll restricted customer issues and solicitation of U S WEST products to non-published and non-listed customers.

RULE VIOLATIONS

Q.On pages 33-34 of Mr. Souba’s rebuttal, he asserted that Idaho is unique in the offering of a letter of guarantee as a cash deposit alternative, and that

U S WEST does not use letters of guarantee in other states.  Are his assertions correct?

A.No.  I contacted regulatory commissions in nine states served by U S WEST to inquire about rules governing deposits.  Exhibit No. 135 contains copies of current rules for the states of Montana, Colorado, Oregon, North Dakota, South Dakota, Wyoming, Arizona, Iowa and Washington which require telecommunications utilities to offer a guarantee in lieu of deposit.  I verified that these rules apply to U S WEST as a local exchange service provider in these states.  To the extent that Mr. Souba’s representation that Idaho has unique requirements was intended to explain or excuse U S WEST’s violation of Idaho rules, his arguments obviously are without merit.

Q.On pages 34 and 35 of Mr. Souba’s rebuttal testimony, he states that Idaho Rule 310.04 (Exhibit No. 136) forbids disconnection of service if the guarantor fails to pay a written guarantee.  Is Idaho unique in this requirement?

A.No.  Of the nine states listed above Arizona, North Dakota, South Dakota and Iowa do not allow for disconnection under these same circumstances.

Q.On page 37, line 5, as well as throughout Mr. Souba’s rebuttal testimony, he indicates that the current customer service rules provide “inequitable treatment between telephone competitors”.  Do you agree with his assertion?

A.No.  Mr. Souba’s use of the phrase “telephone competitors” is overly broad and at times misleading.  U S WEST provides both local and toll as well as other Title 62 services.  It is inappropriate for U S WEST to compare itself to companies that only provide Title 62 services.

Q.Does the fact that distinctions are made among the different types of service providers mean that the rules are somehow unfair to U S WEST?

A.No.  U S WEST, GTE, and all other regulated local exchange services (LECs) are treated exactly the same.  The rules are written so that like providers are treated the same.

Q.Do different rules apply to different types of telecommunications service providers?

A.Yes.  The Idaho Telephone Customer Relations Rules (IDAPA 31.41.01.000) apply to all LECs, competitive local exchange carriers (CLECs), and toll carriers.  Some rules apply only to LECs and CLECs, while a few apply only to interexchange carriers (IXCs).  The Telephone Customer Relations Rules were written to afford greater protections to customers purchasing local exchange services.

Q.Is Mr. Souba correct on page 36, line 15, when he states that with respect to calculation of deposit amounts, different rules apply to LECs than to IXCs who directly bill customers?

A.Yes.  Less restrictive rules apply if there is a direct relationship between a service provider and a customer.  LECs that bill on behalf of third parties represent an entirely different sort of situation.  The safeguards provided by the rules were put in place because the “billing agent” role, combined with a “gateway” role as provider of local exchange service, carries with it potential for harm to consumers.  LECs have additional leverage for collection of amounts owed to other providers because they also control access to local service.

With respect to the Commission’s rules regarding deposits, local exchange companies may collect deposits in amounts equal to no more than two months’ charges for local exchange service.  An additional deposit may be held by the LEC for toll billed by them, whether provided by it or other parties, in the amount equal to two months’ average charges based on the customers’ usage over the most recent twelve month period.  IXC’s directly billing customers are allowed to collect “reasonable deposits”.  (See Rules in Exhibit No. 136.)

Q.Please explain U S WEST’s system for deposit calculation.

A.U S WEST states that it has made numerous changes to improve its internal processes.  However, it appears that U S WEST’s credit management system was not designed to recognize variations in requirements throughout its service territory.  Customer service representatives must recognize that they are speaking to Idaho customers, and take extra steps to calculate the correct and accurate deposit.  In the instance of calculating deposit amounts, the current system makes it difficult for employees to do their jobs properly.  Although employees do not intentionally violate Idaho’s rules, the system makes it difficult to avoid such results.  Rather than characterize failures to follow rules as “errors”, as Mr. Souba has, I would characterize them as rule violations.

Q.Did Mr. Souba attempt to minimize the number of rule violations noted in your testimony?

A.Yes, he did, perhaps because he did not understand my earlier testimony.  Let me explain the complaint-taking process and why the numbers given in my testimony understate actual occurrences.  The number of customers actually contacting the Commission is the very tip of the iceberg and is an indicator of a much larger problem.  Every customer calling with a complaint about a public utility is asked a series of questions by the receptionist.  One of these questions is, “Have you already discussed your situation with the utility?”  If they have not tried to work out the problem with the company, the receptionist refers that person back to the utility to try to work out the dilemma directly with them.  These referrals are not counted or tracked in any manner.  Only customers who have been unsuccessful in resolving their disputes directly with utilities end up talking with an investigator.

Further, when a complainant reaches a compliance investigator, it is extremely rare that they declare dissatisfaction with only one issue.  Typically, the customer is upset about two or three different situations.  For example, a customer may call the Commission because his/her phone was disconnected.  In the course of the conversation, however, the investigator discovers that the reason for disconnection was because the customer did not pay for disputed toll charges and has been asked to secure the account by way of deposit to keep local and long distance calling capability.

Q.Because there were three issues involved in this example, would this complaint be counted three times?

A.No.  This complaint would be counted once, identifying the main issue by assigning a complaint type code.  In this case I would count it under the “Disconnection” category, and although the deposit and disputed toll were discussed, the only documentation found on those issues will be in the narratives.  Although I do not contend that U S WEST computed each and every deposit incorrectly or never offered a guarantor in lieu of a deposit, the Commission receives hundreds of complaints per year dealing with these issues at least peripherally.

WHITE PAGE LISTINGS

Q.Mr. Souba admits on page 38, line 11, that

U S WEST has always imposed additional charges for White Page listings to include suite numbers, apartment numbers and post office boxes.  He further argues that if

U S WEST’s policy was changed, it would be difficult to determine exactly what reasonably can be considered an address.  Do you agree?

A.No.  If U S WEST has always charged extra for the listing of suite numbers, apartment numbers and post office boxes, it has always been in violation of Commission Rule 601.03.  Without Commission prompting,

U S WEST chose to include ZIP Codes in directory listings at no additional charge.  Since the purpose of ZIP codes is to speed delivery of mail, and has nothing to do with the delivery of telecommunications services, it appears that U S WEST recognizes the importance of listing a complete address.  I am confident that U S WEST employees can distinguish the difference between customers’ addresses and other types of information, such as driving directions or hours of operation.

BILL FORMAT

Q.On page 39, line 8, Mr. Souba characterizes your testimony as recommending that a page be added to the monthly bill to contain customers “billing rights.”  Is that your intention?

A.No, it is not.  Although printing of billing rights information certainly would require some space on the bill, an additional page would not be necessary.  Billing rights information used by other utility companies, including other LECs in Idaho, utilize the reverse side of the bill or unused space on the front side for this information.

Q.Was Staff contacted during the developmental stages for input regarding the new bill format?

A.No.  It is my understanding that the new bill format was presented to Staff as an informational courtesy after it was printed, but Staff did not participate in development of the bill format or its contents.

TOLL RESTRICTED CUSTOMER ISSUES

Q.Have you reconsidered your original recommendation regarding the blocking of custom calling and voice messaging services to toll restricted customers?

A.Yes, after reviewing Mr. Souba’s rebuttal testimony, I propose to modify my original position concerning this subject.

I recommend that U S WEST not market optional services to any customer owing U S WEST a previously unpaid final bill until the account no longer requires security.

Q.Does your recommendation extend to customers who have posted a cash deposit, secured the account by written guarantor as well as those choosing toll restricted service?

A.Yes.

Q.Why do you make this recommendation?

A.These customers have an established history of non-payment and pose the greatest credit risk to the company.  They need assistance in establishing affordable telephone service and developing a successful payment relationship with the Company.

In response to production request #447 (Exhibit No. 137), the Company states that in 1995 approximately 35,000 residential customers obtained service company-wide while still owing amounts from a previously unpaid final bill.  Roughly 30% of these risk customers were permanently disconnected because of failure to pay the amounts owed for the newly-established service and/or the previous unpaid final charges.  The average amount owing at time of disconnection for 1995 was $266.

Q.What if a customer specifically requests an optional service such as Caller ID?  Would you expect

U S WEST to deny that request?

A.No.  My recommendation is to stop the sales pitch made by the U S WEST service representative for these products and services.  Specific requests made by customers should be granted.

Q.What is your recommendation for existing customers who become toll-restricted due to non-payment?

A.I recommend that the Company agree to suspend optional services upon customer request until the toll-restriction is no longer required.  The Company already has authority to disconnect or suspend optional services such as custom calling services and voice messaging for failure to pay undisputed charges.  (See Exhibit No. 136, Rule 314.03.)  My recommendation goes a step further for the customers who voluntarily request suspension of optional services as a means of catching up on their bills.  Customers should be able to reinstate those services to which they previously subscribed without incurring additional service charges.

SOLICITATION OF U S WEST PRODUCTS TO NON-PUBLISHED AND NON-LISTED CUSTOMERS

Q.On page 43, line 9, Mr. Souba suggests that U S WEST should be able to continue solicitation of their products and services to non-listed and non-published customers because such customers are candidates to receive these calls.  Do you agree?

A.No, I do not.  The Company should not assume it has automatic authorization for use of proprietary information by virtue of the customer being a monthly subscriber.  Non-published and non-listed customers have a legitimate expectation of confidentiality because they believe they are paying for privacy.  U S WEST should be prohibited from continuing their current business practice of routinely including all non-published and non-listed customers in their solicitation of U S WEST products and services.  The mere fact that it assumes these customers want to hear from them, but not from the carpet cleaners or other solicitors, does not recognize the value some customers place on not receiving solicitation calls.  Unless U S WEST needs to contact the customer for service-related reasons, the restriction on non-disclosure of non-published, non-listed information should flow to U S WEST’s marketing arm as well as its competitors.

Q.Does this conclude your surrebuttal testimony in this proceeding?

A.Yes, it does.