

Verizon

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UTILITIES COMMISSION



17933 N.W. Evergreen Pkwy  
P.O. Box 1100  
Beaverton, OR 97076

August 5, 2003

Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington  
Boise, Idaho

RE: VZN-T-01-8

Dear Ms. Jewell,

The Idaho Commission granted Verizon a waiver from the Commission's partial payment application rules in Docket VZN-T-01-8. Order 28857 directs Verizon to advise the Commission on its progress towards meeting the requirements of the rules (IDAPA 31.41.01 306.06 and 312.03) no later than September 19, 2003.

Verizon had advised Staff in 2001 that the company was in the process of reviewing its billing system and may decide to upgrade the billing system as a result of the GTE/Bell Atlantic Merger. As a result of the downturn in the telecommunications industry, the Company has put any major system modifications on hold.

Verizon estimates that it would cost the company in excess of \$2 Million to modify the current billing system to allow the company to manually apply partial payments to specific services or billing buckets as directed by the customer. Many systems and processes would need to be adjusted. A detailed description of needed system changes was provided to Staff in April.

In order to avoid customer complaints and to meet the spirit of the rule, which is to protect local service, Verizon changed its payment allocation method to Option 7 effective May 1, 2003. Payments are now allocated to past-due basic and current basic before moving to the other service buckets instead of the old Option 6 that allocated payments to past due basic and didn't pick up current basic until all past due buckets were paid.

In addition, Verizon complies with IPUC Customer Relations rules 205 and 401(2) that require the company to remove disputed charges from a customer's bill within two billing cycles. This will further protect basic service for disputed charges.

To the company's knowledge, there have been no new complaints that can be directly attributed to Verizon not being able to manually direct partial payments per the customer's request. The Company has been able to resolve any customer issues by changing the payment allocation method, recouping or crediting unauthorized charges and extending payment arrangements when necessary.

Verizon respectfully requests that the waiver continue to remain in place for an indefinite period of time. Should the Company undertake a major upgrade of the billing system that could incorporate the systems changes necessary to be in compliance with the Idaho Commission's partial payment rules, the Company will notify Staff and the Commission. Please feel free to contact me at (503) 645-7909 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Renee Willer".

Renee Willer  
Authorized Representative for  
Verizon Northwest Inc.

c: Beverly Barker  
Director – IPUC Consumer Assistance