



Quarterly Rules

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Consumer Services

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Let's look back at Section 3

APPLICATIONS

From the General Service Rules (GSR) and the Telecommunications Providers Rules (TPR)

With the Federal Trade Commission (FTC) asking your company to develop and submit a written program that will be used to detect the relevant warning signs - or "red flags" - of identify theft, I thought we would take a look at Section 3 again, but this time look at Rule 3.01.

This Rule deals with the Application for Service which should go hand in hand with your new "Red Flag Rules".

If you are reading this and are unfamiliar with the Red Flag Rules you can use a search engine to see what they are. But in a nutshell, the FTC works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. Many of our General Service Rules are set up in the same manner.

With that said, let's jump back into Section 3 and the process we use to take an application for service.

Rule 3.01.

A. New service, additional service, transfer of service, or a change in service may be requested in writing, or, at the discretion of the utility, orally by telephone.

B. Each utility must keep a record of each written or verbal application for utility service as required by Rule 7.01. Exception: Gas and Water utilities (which do not have an allocated territory) are NOT required to consider "requests for service when it is not feasible to provide the facilities" as applications for service. Requests for service must be maintained in a file for 2 years.

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If the application is submitted and meets all of the criteria then you should be maintaining that application in a file for the life of the account. You may have already started to notice the need for review of such documentation when a customer claims fraud. Or maybe you have gotten a request from our office to show proof that "both" parties agreed to service and were visited with individually before the account was listed as joint, meaning responsibility is equal on the account. I cannot stress to you enough the importance of maintaining notes at all times on an account; especially the initial contact for setting up service. If the notes are thorough, they can cover you in so many areas later on.

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Don't forget, for proof of identity, you can find the eight acceptable forms under Rule 3.04.A. (9) Refusing Service. (Discussed in the December Newsletter)

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In this time of need for such things as the "Red Flag Rules", having a picture ID of your customers on file might not be a bad idea. After all, even if a person doesn't have a driver's license, they can go down and get an Arkansas ID card for five bucks!

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Some of those utilities with offices still in place now require applicants to come into the office with a picture ID to establish service. Of course, like anything else, it does not stop fraud 100%, but I'm sure it cuts down on it greatly!

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Although we don't require a place on the application for the customer to list a contact/roommate, etc., we would like for you to have a way to note the account in the event the customer would like to list someone as a contact. A contact is a person that can get information when needed, but does not have the ability to make payment arrangements, decisions or request actions for the customer of record.

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C. - Precedence of Service- Utilities shall not unreasonably discriminate in processing applications for service. Priority shall be given to applications involving medical emergency, and public health and safety. This is a no brainer.

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D. - Connection Deadlines- Utilities shall connect service within the time frames required by the applicable Commission Special Rules.

Due to the deregulation of the telecommunications industry, the time frame information is no longer in the Special Rules Section, but can be found in the TPR Rules under Rule 9.01.B.(1)a. The rest of you can find it in your Special Rules section under Rule 3.01. I know you are looking it up so....let's all say in unison:

5 Business Days

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Let me clear up one misconception here: five days is for new connections and not the Rule on reconnections. The GSR on reconnections can be found in Rule 6.12. which says service must be restored in the normal course of business unless the shut off is the fault of the company and then it must be done immediately. We have never had to question the "normal course of business schedule" for anyone. After all, when the service is off you don't make money!

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E. 1. – Explanations and Assistance – a. A utility shall offer to inform applicants about all rates, payment plans and equipment options available for the applicant's class of service. b. A utility shall explain how often a customer's bill is mailed and when the bill is considered past due. c. If a utility requires a cooperative membership fee, a security deposit or guaranty for the applicant to receive service, the utility shall explain requirements and payment options.

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This information can also be found in your handout that is given or mailed to the customer; however, this information must be explained to the customer at the time of application. Now if you ask an applicant if they would like to know all of this and they decline, please make notes on the account. **NOTES! NOTES! NOTES!** I can't emphasize it enough as the notes can be the difference in a he said/she said situation! It might not even be a bad idea to note the account when a handbook is mailed out!

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Rule 3.02. A current copy of the application form to be used and any revisions to that form shall be provided to the Commission's Consumer Services office. (Hey, I think that's me.) Let me say thanks to those that have already sent me their revised applications. I might suggest that any forms sent to me for my review in the future should be prior to the actual printing of the documents just in case there are changes to be made.

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Rule 3.03. deals with the Extension of Service. Please read through this Rule and pay close attention to Part B- Extension of Service Agreement. You will find ten items listed here that **must** be included on the agreement. (HINT!! I will be reviewing this form during audits to insure that you have all this information listed.) These are important facts that a customer deserves to know and that are very basic yet you would be surprised how many times a company has had to fix their form to comply with this Rule.

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The melting pot of Rule information

In the last newsletter I talked about Deposits and Rule 4.02.A.6 which states that you can raise a deposit within the first 12 months if the customer is using more than what the deposit was based on. This not

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only pertains to new customers where a class average was the base, but also any customer (residential or commercial) within the first 12 months if you determine that it was not enough to secure the account. In these hard economic times, hopefully, you are tightening up on deposits and will remember this is a way to help better secure the accounts. In the end, all rate payers will pay in higher rates for those accounts that leave owing the company money which most customers do not understand.

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I also stated that new deposits can be paid in full on the first month's bill and this was misinformation. *GSR Rule 4.01.C. Except for deposits under Rule 4.01.B. (3) applicants shall be allowed to pay the deposit in 2 installments – ½ of the deposit before receiving service and the remaining ½ with the first bill.* If a customer prefers to pay the whole amount up front, you can certainly take it; you can't require them to pay it all up front. I hope that clears up a few areas from the last newsletter.

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As we move into the summer months here in Arkansas, let's not forget to take a look at *Rule 6.18.E. (1) Hot Weather Protection - Gas and Electric utilities shall not suspend residential service to elderly or handicapped customers on a day when the National Weather Service forecasts that a temperature of 95 degrees Fahrenheit or higher will occur at any time during the following 24-hour period. For gas utilities, hot weather protection shall be limited to elderly or handicapped air conditioning customers only.*

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Our hope would be that you use the application process to code these accounts that need this benefit, but situations change throughout the year and your representatives should be trained to notice comments made from your customers that would indicate there is need for this. Stop and ask yourself - Do your people check if an account is coded elderly and handicapped when a customer calls in for a DPA because their check comes in the middle of the month or they had to use all their money to buy medication????? Do you know how customer friendly your people are? Always remember they are the front line for the company.

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That's all folk's!