

The Joint Petitioners have requested that the Commission allow utilities the option to state the interest rate on the bill or to provide equivalent billing information to the customer. The Joint Petitioners stated that, for example, if a customer's current bill is \$100.00, the potential late payment charge would be \$1.00 (\$100.00 x 1%), if the customer did not pay that balance in full within 25 days from the billing date. The Joint Petitioners asserted that the rule change proposed would allow utilities to continue to reflect the interest rate as is done today or to state the total amount that would be due, **including the late payment charge**, if the payment is not received within 25 days from the billing date. The Joint Petitioners maintained that, utilizing the example above, the utility could advise the customer that the amount due would be \$101.00 if payment was not received within the required interval. The Joint Petitioners argued that, under either scenario, customers are clearly advised of the bill's due date along with the financial penalty if the bill is not paid.

The Joint Petitioners proposed the following revision to Rule R12-9(d):

Rule R12-9 Uniform billing procedure

(d) Finance charges. – No interest, finance, or service charge for the extension of credit shall be imposed upon the consumer or creditor if the account is paid within twenty-five (25) days from the billing date. No utility shall apply a late payment, interest, or finance charge to the balance in arrears at the rate of more than 1% per month; provided, however, that a certified intrastate interexchange carrier may apply a rate of 1 ½% per month to non-residential accounts if such carrier does not bill such end users through a local exchange carrier. The bill shall clearly state the interest rate **or the amount that would be due if not paid within the allowed amount of time, including the interest, finance or service charge**. All utilities which are required to file tariffs and which apply an interest, finance, or service charge must file tariff provisions to that effect. All utilities must apply the appropriate interest, finance, or service charge on a uniform basis.

INITIAL COMMENTS

The **Attorney General** stated that he does not object to the proposed change to Rule R12-9(d), as set forth in the Joint Petition.

The **Public Staff** stated that, after careful consideration, it is not opposed to the revised rule as proposed by the Joint Petitioners. The Public Staff stated that it believes that the proposed change in billing language would continue to convey to customers the needed information regarding the imposition of late payment charges for payments made later than 25 days after the billing date.

REPLY COMMENTS

The **Joint Petitioners** noted that neither the Attorney General nor the Public Staff opposed the Joint Petition. Accordingly, the Joint Petitioners requested that the Commission approve the Joint Petition to Amend Rule R12-9(d) which would allow utilities to continue to reflect the interest rate as is done today **or** to state the total amount that would be due, including the late payment charge, if the payment is not received within 25 days from the billing date.

WHEREUPON, the Commission now reaches the following

CONCLUSIONS

After careful consideration, the Commission concludes that it is appropriate to grant the Joint Petitioners' Joint Petition to Amend Rule R12-9(d), unless objections are received by no later than Friday, August 31, 2007. The Commission tentatively agrees with the Public Staff that the proposed change to Rule R12-9(d) would continue to provide customers the needed information regarding the imposition of late payment charges for payments made later than 25 days after the billing date. However, the Commission notes that, since Rule R12-9(d) applies to all utilities and since the Joint Petition was filed in a P-100 docket, all utilities may not be aware of this proposed rule change. Therefore, the Commission finds it appropriate to allow affected utilities and other interested parties an opportunity to object to the proposed change to Rule R12-9(d). In order to adequately notify all affected utilities and other interested parties, the Commission will mail a copy of this order to all certificated entities and all other parties on its general order distribution lists. Any entity that objects to the change should file an objection by no later than Friday, August 31, 2007. If no objections are received, the change in Rule R12-9(d) requested in the Joint Petition will be effective on Tuesday, September 4, 2007.

In addition, the Commission notes that, on May 30, 2003, Senate Bill 814 was signed into law. Senate Bill 814 amended G.S. 62-2(b) to state that intraLATA long distance service, interLATA long distance service, and long distance operator services are sufficiently competitive and shall no longer be regulated by the Commission (except in certain limited instances that do not appear to apply here). Therefore, the Commission preliminarily concludes that it is appropriate to also strike the following language from Rule R12-9(d): "provided, however, that a certified intrastate interexchange carrier may apply a rate of 1 ½% per month to non-residential accounts if such carrier does not bill such end users through a local exchange carrier." Once again, the Commission will provide an opportunity for objection before the proposed rule change becomes final.

IT IS, THEREFORE, ORDERED as follows:

1. That the Joint Petition to Amend Rule R12-9(d) is hereby granted effective Tuesday, September 4, 2007, unless objections are received by no later than Friday, August 31, 2007.

2. That, unless objections are received by no later than Friday, August 31, 2007, the language in Rule R12-9(d) which states that certified IXCs may apply an interest rate of 1 ½% per month, is hereby stricken as inconsistent with Senate Bill 814.

3. That Rule R12-9(d) shall be amended as outlined in Appendix A attached hereto, effective September 4, 2007, unless objections are received by no later than August 31, 2007.

4. That the Chief Clerk shall mail a copy of this Order to all certificated public utilities in the State and to all other parties on the Commission's general order distribution lists.

ISSUED BY ORDER OF THE COMMISSION.

This the 16th day of August, 2007.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

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APPENDIX A

Rule R12-9 Uniform billing procedure

(d) Finance charges. – No interest, finance, or service charge for the extension of credit shall be imposed upon the consumer or creditor if the account is paid within twenty-five (25) days from the billing date. No utility shall apply a late payment, interest, or finance charge to the balance in arrears at the rate of more than 1% per month; ~~provided, however, that a certified intrastate interexchange carrier may apply a rate of 1 ½% per month to non-residential accounts if such carrier does not bill such end users through a local exchange carrier.~~ The bill shall clearly state the interest rate or the amount that would be due if not paid within the allowed amount of time, including the interest, finance or service charge. All utilities which are required to file tariffs and which apply an interest, finance, or service charge must file tariff provisions to that effect. All utilities must apply the appropriate interest, finance, or service charge on a uniform basis.