



State of Rhode Island and Providence Plantations

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Patrick C. Lynch, Attorney General

April 26, 2004

BY HAND DELIVERY AND ELECTRONIC MAIL

Ms. Luly E. Massaro
Commission Clerk
89 Jefferson Boulevard
Warwick, RI 02888

**RE: INVESTIGATION INTO THE FEASIBILITY OF
USING CREDIT CARDS AS A METHOD OF PAYING
UTILITIES BILLS – PUC DOCKET NO. 3569**

Dear Ms. Massaro:

Attached on behalf of the Division of Public Utilities and Carriers (the “Division”) are ten copies of the Division’s comments concerning the proposed rules governing the acceptance of credit cards by utility companies.

Thank you for your attention to this matter.

William K. Lueker (R.I. Bar No. 6334)
Special Assistant Attorney General
for/
Leo Wold (R.I. Bar No. 3613)
Special Assistant Attorney General

Encl.

cc: Docket 3569 Service List

CERTIFICATION

I hereby certify that copies of the foregoing letter and its enclosure were delivered to all individuals on the Docket 3569 Service List by electronic mail and by depositing postage paid copies in the U.S. Mail on the 26th day of April, 2004.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

**IN RE INVESTIGATION INTO THE)
FEASIBILITY OF USING CREDIT CARDS AS)
A METHOD OF PAYING UTILITIES BILLS)**

DOCKET NO. 3569

**COMMENTS OF THE DIVISION OF PUBLIC UTILITIES AND CARRIERS
CONCERNING THE PROPOSED RULES
GOVERNING THE ACCEPTANCE OF CREDIT CARDS BY UTILITY COMPANIES**

In Docket No. 3569, the Public Utilities Commission (“Commission”) determined that, if a utility desires to accept credit cards as a form of payment, then the utility should comply with certain proposed rules. These rules would be applicable to all electric distribution companies, natural gas distribution companies, incumbent local exchange carriers, and regulated water and sewer utilities operating in the State of Rhode Island.

An Incumbent Local Exchange Carrier (ILEC) is a telecommunications company that provided local telephone service at the time the Telecommunications Act of 1996 was enacted; there is only one ILEC, Verizon, in the State of Rhode Island. The Commission registers other telecommunications providers that also provide local telephone exchange service, such as Competitive Local Exchange Carriers (CLECs) and Certified Switchless Resellers (CSRs). CLECs and CSRs compete with the ILEC by using the local exchange carrier’s infrastructure through the purchases of unbundled network elements (UNEs) by means of collocation arrangements or through the resale of discounted wholesale services. Verizon bills telephone customers for many of the registered telecommunications providers, while some competing carriers (such as Cox Communications and AT&T) directly bill their customers.

In regards to the draft promulgation of credit card rules, the Division of Public Utilities and Carriers (“Division”) concurs with the Commission that the rules should apply to the local incumbent telephone company. However, the credit card provisions are limited to only the ILEC¹, Verizon, and should be expanded to include other telecommunication providers who may be interested in providing credit card service. One would have to believe that some of the competing carriers would be interested in offering credit card service to their customers even though they are not parties to the proceeding. If the offering of credit card payments for utility services is an appropriate utility practice, then the payment option for utilities should also be made available, at a minimum, to other local exchange carriers that directly bill their customers.

¹ In the draft regulations, “Rules Governing the Acceptance of Credit Cards by Utility Companies”, the last paragraph on page 3 addresses “incumbent local exchange carriers”. The “s” at the end of the word would mean there is more than one ILEC in the State of Rhode Island. The Division is of the opinion that there is only one ILEC, Verizon, in Rhode Island.