WAC 480-120-122 Establishing credit—Residential services. This section applies only to the provision of residential services.

(1) For a local exchange company (LEC) that offers basic service as part of any bundled package of services, the requirements of this subsection apply only to its lowest-priced, flat-rated residential basic service offering. The LEC may require an applicant or customer of residential basic service to pay a local service deposit only if:
   (a) The applicant or customer has received two or more delinquency notices for basic service during the last twelve month period with that company or another company;
   (b) The applicant or customer has had basic service discontinued by any telecommunications company;
   (c) The applicant or customer has an unpaid, overdue basic service balance owing to any telecommunications company;
   (d) The applicant's or customer's service is being restored following a discontinuation for nonpayment or acquiring service through deceptive means under WAC 480-120-172(1); or
   (e) The applicant or customer has been disconnected for taking service under deceptive means as described in WAC 480-120-172(1).

(2) A LEC may, if provided for in its tariff or rates, terms and conditions of services provided pursuant to competitive classification, require an applicant or customer of ancillary services to demonstrate satisfactory credit by reasonable means, pay a deposit, or make advanced payments consistent with subsections (4) and (5) of this section.

   The company must inform applicants that local service cannot be withheld pending payment of a deposit or advanced payments for ancillary services.

(3) An interexchange company may, if provided for in its tariff or rates, terms and conditions of services provided pursuant to competitive classification, require an applicant or customer of interexchange services to demonstrate satisfactory credit by reasonable means or pay a deposit consistent with subsections (4) and (5) of this section.

   The company must inform applicants that local service cannot be withheld pending payment of a deposit for interexchange services.

(4) When a company requests a deposit from an applicant or customer, the amount of the deposit may not exceed two months' customary use for an applicant or customer with previous verifiable service of the same class, or two months' estimated use for an applicant or customer without previous verifiable service. Customary use is calculated using charges for the previous three months' service.

(5) When an applicant or customer is required to pay a basic service deposit or an interexchange deposit, but is unable to pay the entire amount in advance of connection or continuation of service, the company must offer the applicant or customer the following options:
   (a) Pay no more than fifty percent of the requested deposit amount before installation or continuation of service, with the remaining amount payable in equal amounts over the following two months; or
   (b) Where technology permits, the applicant or customer must have the option of accepting toll-restricted basic service in lieu of payment of the deposit. A company must not charge for toll restriction when it is used as an alternative to a deposit.

   A company must remove toll restriction unless the customer requests to retain it when the customer makes full payment of the re-
quested interexchange company deposit or pays fifty percent of the re-
quested deposit and enters into payment arrangements as provided for in (a) of this subsection.

(6) A company may require an applicant or customer to pay a de-
posit or make advanced payments equal to two months' charges for an-
cillary service before providing or continuing ancillary services.

(7) A company may require an applicant or customer to pay a de-
posit if it finds that service was provided initially without a depos-
it based on incorrect information and the customer otherwise would have been required to pay a deposit.

(a) When a company requests a new deposit or a larger deposit
amount after service has been established, the company must provide a
written notice to the customer listing the reason(s) for the request,
the date the deposit must be paid, and the actions the company may
take if the deposit is not paid.

(b) Except for circumstances described in subsection (8) of this
section, the deposit or additional deposit amount may not be due and
payable before 5:00 p.m. of the sixth business day after notice of the
deposit requirement is mailed or 5:00 p.m. of the second business day
following delivery, if the notice is delivered in person to the cus-
tomer.

(8) (a) A company authorized by the commission to collect deposits
or advanced payments may require a customer to pay unbilled toll
charges or pay a new or additional deposit amount when the customer's
toll charges exceed thirty dollars, or exceed customary use over the
previous six months by twenty dollars or by twenty percent, whichever
is greater. A company may toll-restrict a customer's services if the
customer is unable pay the toll or deposit amount.

(b) When a customer has exceeded the toll levels in (a) of this
subsection, the company may require payment before the close of the
next business day following delivery of either written or oral notice
to the customer indicating that failure to pay one of the following
may result in toll restriction of the customer's service. The company
must give the customer the option to pay one of the following:

(i) All outstanding toll charges specified in the notice; or
(ii) All toll charges accrued to the time of payment providing
the customer was notified the customer would be liable for all unbil-
led toll charges that accrued between the time of the notice and time
of the payment; or
(iii) Payment of a new or additional deposit in light of the cus-
tomer's actual use based upon two months' customary use.

(c) When an applicant does not have a customary utilization
amount from a previous service, the company may request that the ap-
plicant estimate the greatest monthly toll amount the applicant ex-
pects to use. If the company asks for an estimate, it must explain
that if the customer's toll charges exceed the amounts in (a) of this
subsection, the company may toll restrict or require a deposit as per-
mitt in this subsection.

(9) When a residential applicant or customer cannot establish
credit or cannot pay a deposit or deposit extended payments, the ap-
plicant or customer may furnish a guarantor who will secure payment of
bills for service requested in a specified amount not to exceed the
amount of required deposit. The company may require that the guaran-
tor:

(a) Reside in the state of Washington;

(b) Currently have service with the company requesting the depos-
it; and
(c) Have an established satisfactory payment history for each class of service being guaranteed.

[Statutory Authority: Chapter 19.122 RCW, RCW 19.122.053, 80.01.040, and 80.04.160. WSR 15-08-043 (Docket UT-140680, General Order R-580), § 480-120-122, filed 3/26/15, effective 4/26/15. Statutory Authority: RCW 80.36.010, 80.36.110, 80.36.320, 80.36.330, 80.36.333, 80.36.338, 80.01.040 and 80.04.160. WSR 07-08-027 (Docket UT-060676, General Order R-540), § 480-120-122, filed 3/27/07, effective 4/27/07. Statutory Authority: RCW 80.01.040 and 80.04.160. WSR 05-03-031 (Docket No. UT 040015, General Order No. R-516), § 480-120-122, filed 1/10/05, effective 2/10/05; WSR 03-01-065 (Docket No. UT-990146, General Order No. R-507), § 480-120-122, filed 12/12/02, effective 7/1/03.]