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# Georgia Public Service Commission

344 WASHINGTON STREET S.W.  
ATLANTA, GEORGIA 30334-5701  
(404) 656-4501 OR (800) 282-5813

## LETTER ORDER

### Non-Docket

TO: All Incumbent Local Exchange Companies  
All Competitive Local Exchange Companies

SUBJECT: Escrow Accounts

Since enactment of The Telecommunications And Competition Development Act of 1995, the Georgia Public Service Commission ("Commission") has seen a trend developing in the competitive local exchange market whereas there are companies applying, and/or in the process of applying, for Certificates of Authority to offer local exchange service to those class of subscribers whose service has been disconnected by the incumbent local exchange company for non-payment or for failure to meet applicable credit standards.

Moreover, these companies have sought, or have indicated that they intend to seek, a waiver of the Commission's disconnect rules, Utility Rule Nos. 515-12-1-.05 and 515-12-1-.28.

The Commission finds that when there is a situation where a company will be offering local exchange service on a prepaid basis, some safety mechanism should be in place to assure that the consumer who has already paid for that service, get what they have paid for. The Commission has the legal authority under O.C.G.A. §46-2-20(e) to require that an escrow account be established to ensure that customers will receive a refund for any amounts owed should the local exchange company go out of business.

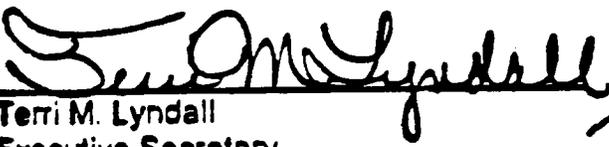
### WHEREFORE, it is

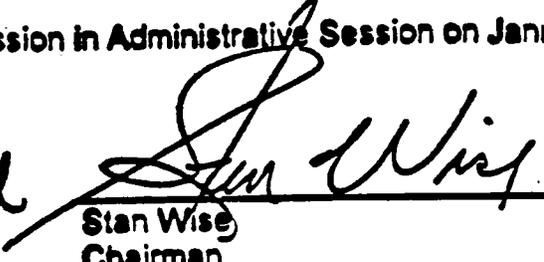
**ORDERED**, that under any circumstances when any telecommunications company files for a waiver of the Commission's disconnect rules as set forth in Commission Utility Rule Nos. 515-12-1-.05 and 515-12-1-.28, an executed escrow agreement will be required to be filed with and approved by the Commission.

ORDERED FURTHER, that such initial escrow account will be equal to one times the proposed monthly service times the number of customers served by the telecommunications company.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

The above by action of the Commission in Administrative Session on January 21, 1997.

  
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Terri M. Lyndall  
Executive Secretary

  
\_\_\_\_\_  
Stan Wise  
Chairman

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