



## The Facts About...

# "Prepaid" Local Telephone Service

Some companies may offer you "prepaid" telephone service at prices that are significantly higher than those of local telephone companies. "Prepaid" companies require you to pay in advance for monthly service and often target customers who have no credit, bad credit or been disconnected by a local telephone company for nonpayment. Many customers who choose a "prepaid" service believe they cannot establish or re-establish an account with the local telephone company.

### Prices

Typically, "prepaid" companies' rates are much higher than what a local telephone company charges for basic local service. Connection fees are often more expensive, monthly charges of \$39 to \$69 for basic service are common and features like Caller ID and Call Waiting may also be priced higher.

### Before you sign up

**If your service with the local telephone company has been disconnected for nonpayment, remember that you may be able to be reconnected and receive payment assistance.** It may be cheaper to work out a payment plan with the local telephone company to pay off any existing charges and past due amounts than to use a "prepaid" service. Remember, if you choose a "prepaid" service you will still be responsible for any money owed to your local telephone company.

In addition, low-income customers may be eligible for a telephone company's Lifeline program, which can significantly lower monthly local calling charges. Lifeline programs also waive connection and/or deposit fees.

Before enrolling with a "prepaid" provider, you should learn as much as possible about the terms



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and conditions of the service. Read all applications and promotional materials carefully and ask about payment schedules, acceptable forms of payment and disconnection policies.

### Questions to ask

The Office of the Ohio Consumers' Counsel (OCC) recommends that you ask the following questions to "prepaid" providers before signing up for service:

- How much is the connection charge and/or deposit fee? Will it apply toward my first month's payment?
- Does your company allow me to pay the connection charges over a three-month period, which is required by Ohio's Minimum Telephone Service Standards?
- What will be my total first month's bill or payment due, including any taxes and surcharges?
- What is your company's billing schedule, particularly during the first 30 days of service?
- What will be my monthly charges after the first month of service?
- How much time will I have to pay each bill?
- Can I pay my bill by mail? Telephone? Online? Through a local payment center? Are there any extra charges for using these options?
- Can I pay my bill by check? Credit card? Money order? Bank account debit? Are there any extra charges for using these options?
- What are the penalties for late payments?
- If I have a billing problem or need a repair to my telephone line, whom do I contact? Is there a toll-free number?
- If I am disconnected from service for nonpayment, what is the charge for reconnection?

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## Where to go for help

If you have questions about reconnecting your service or other telephone issues, you may call the OCC toll free at 1-877-PICKOCC (1-877-742-5622) or visit its website at [www.pickocc.org](http://www.pickocc.org). The OCC

also has fact sheets available on other important issues like telephone rights, Lifeline payment assistance programs, telephone disconnection and reconnection and understanding monthly charges.

## Prepaid telephone plans

Here are some of the "prepaid" plans available to customers in AT&T Ohio and Verizon service territories, including the rate for monthly charges for flat rate basic service with unlimited local calls as of May 2009. Some prices may include features such as Caller ID and Call Waiting. For additional information on telephone choices for AT&T Ohio and Verizon customers contact the OCC for a copy of "Comparing Your Local Telephone Choices."

| Company                        | AT&T Ohio Area    | Verizon Area      |
|--------------------------------|-------------------|-------------------|
| Budget Phone<br>1-888-424-5588 | \$39.95 - \$49.95 | \$49.95 - \$59.95 |
| COI<br>1-800-333-9967          | Not Available     | \$36.95 - \$61.95 |
| Nexus/TSI<br>1-866-392-7123    | \$49.95           | Not Available     |
| Revolution<br>1-800-4-A-PHONE  | \$26.33           | Not Available     |

*The information listed is believed to be accurate as of the date on this guide, but is not guaranteed. Contact the company for specific details about available plans and prices.*

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts. The state agency also educates consumers about electric, natural gas, telephone and water issues and resolves complaints from individuals. To receive utility information, brochures, schedule a presentation or file a utility complaint, residential consumers may call 1-877-PICKOCC (1-877-742-5622) toll free in Ohio or visit the OCC Web site at [www.pickocc.org](http://www.pickocc.org).

*The Office of the Ohio Consumers' Counsel is an equal opportunity employer and provider of services.*

### For additional information from the Office of the Ohio Consumers' Counsel:

**Call: 1-877-PICKOCC (1-877-742-5622) toll free or (614) 466-8574**  
**Write: 10 West Broad Street, 18th Floor, Columbus, Ohio 43215-3485**  
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