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Decision No. 83836

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of  
THE PACIFIC TELEPHONE AND TELEGRAPH  
COMPANY, a corporation, for authority  
to increase certain intrastate rates  
and charges applicable to telephone  
services furnished within the State  
of California.

Application No. 51774

And Related Matters.

Case No. 9036  
Case No. 9042  
Case No. 9043  
Case No. 9044  
Case No. 9045

SUPPLEMENTAL OPINION DIRECTING REFUNDS

On August 8, 1972, General Telephone Company of California was ordered<sup>1/</sup> to refund to subscribers amounts affecting General Telephone collected over and above Pacific's rate levels in effect prior to July 23, 1971, less the rate increments authorized in Decisions Nos. 79873 and 79941, for the period beginning July 23, 1971 and continuing until the effective date of tariff schedules filed as authorized in Decisions Nos. 80347 and 80348, issued August 8, 1972.

As directed by paragraph E, Appendix B of Decision No. 80346, General Telephone on October 30, 1974 reported refunded and unrefunded amounts as follows:

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<sup>1/</sup> Decision No. 80346, August 8, 1972.

1. The total basic refundable amounts, plus interest due customers.	\$11,791,866
2. The refund paid coin and hotel-motel guest customers.	0
3. The total amount credited on bills either initially or through adjustments.	8,297,145
4. The total amount of refund checks issued.	3,212,401
5. The total amount of refund checks returned as undeliverable.	650,211
6. The total amount of refund checks outstanding and an <u>estimate of the portion which will never be presented for payment.</u>	67,725
7. The total unrefunded amount (1+2-3-4+5+6).	1,000,256

General Telephone proposed that of the unrefunded amount \$165,082 be applied to the expense of administering the refund and the balance applied to its uncollectible accounts.

While the Commission is concerned with any increase in uncollectibles the application of the unrefunded amount toward uncollectibles is not the solution to the uncollectible problem. This proceeding is not the proper vehicle to deal with General Telephone's uncollectible problem.

General Telephone has approximately 1,742,000 active accounts. The unrefunded amount of \$1,000,256 yields approximately 57 cents per active account.

Finding

General Telephone should refund the amount of \$1,000,256 to its active accounts by means of a uniform credit.

O R D E R

IT IS ORDERED that:

1. General Telephone Company of California shall, beginning thirty days after the effective date of this order, distribute the amount of \$1,000,256 remaining to be refunded to its customers by means of a uniform credit on the bill of each active account, excluding coin and special accounts, such credits to be completed at the end of one billing cycle of approximately thirty days. The credit to each account shall be equal to \$1,000,256 divided by the number of active accounts.

2. An insert accompanying each bill shall describe the refund. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup>  
day of DECEMBER, 1974.

Vernon L. Stinson  
President  
William J. Stinson  
John J. Stinson  
Robert E. Stinson  
Commissioners