

ORIGINAL

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MAR 2 - 1982

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

JOHN HINZ,

Complainant,

vs.

GENERAL TELEPHONE COMPANY
OF CALIFORNIA,

Defendant.

Case 11036
(Filed October 7, 1981)

John Hinz, for himself, complainant.
Kathleen S. Blunt, Attorney at Law,
for General Telephone Company of
California, defendant.

O P I N I O N

A complaint was filed with the Commission by John Hinz on October 7, 1981 regarding his bills from General Telephone Company of California (General) for the months of December 1980 and January, February, and March 1981. The complaint alleges that some of these bills contain various errors or "improper amounts." These were followed in succeeding months by several bill adjustments, the propriety of which Hinz has been unable to ascertain despite his many contacts with representatives of General and the Consumer Affairs Branch of the Commission. Hinz requests that we require General to recompute his bills and furnish him with corrected copies showing, without adjustments, the actual amounts owed for each of these four months.

In its answer General admits that Hinz has not been furnished with recomputed bills, claims that it would be unreasonably burdensome for it to do so, claims that it has fully explained the bills in question to Hinz via the various telephone conversations and letters, and claims that the bills are correct.

The Commission's jurisdiction over this matter is found in Public Utilities Code § 761 which requires us to fix the practices to be observed by a utility whenever we find them to be unjust, unreasonable, or inadequate. Thus, the issue before us is whether General's billing procedure is unjust, unreasonable, or inadequate as to Hinz.

On January 5, 1982 a properly noticed hearing was held in Los Angeles before Administrative Law Judge Alison Colgan. At the conclusion of the hearing on that date, the matter was submitted.

At the hearing Hinz testified about the allegations set forth in his complaint and offered several pieces of documentary evidence. This evidence included 13 letters reflecting his communications with the Commission and General. (Four further letters from General to Hinz are attached to General's answer.) Hinz further testified that he made one visit to a General facility and had several telephone conversations with personnel from General and the Commission Consumer Affairs Branch personnel about his complaint - all to no avail. Hinz testified that General was unwilling to give him the recomputed bills he wanted and that he was still unable to determine whether he has been billed a correct amount.

General, through Jayne Phipps who was the billing supervisor of the Long Beach Division of General at the times relevant to this complaint, testified about the allegations set forth in its answer. Phipps testified that she was the General employee who corresponded with Hinz and that she also had several telephone conversations with him about this matter. She stated that she explained each item on these bills to Hinz during these various conversations and correspondences. She explained the computations again at the hearing. Copies of Hinz's bills from November 1980 through April 1981 were received as Exhibits A through F. Phipps further stated that the corrected bills for each month containing the changes in the month they occurred and containing no adjustments, as Hinz was requesting, would necessitate reprogramming General's computer and would be expensive and wasteful of the time of General's employees. For these reasons, she stated, it is against General's policy to recompute bills for its customers.

It was stipulated by the parties that Hinz has deposited a payment for General in the amount of \$20.62 with the Commission. Hinz testified that he has not paid any bills to General since this dispute arose and that the unpaid bills amount to approximately \$20 as of the date of this hearing.

According to Hinz's and Phipps' testimony, Hinz received a bill on December 12, 1980 which included an insert notifying him that the Commission had granted General a rate increase effective November 1, 1980. The increase, among other things, raised the basic cost of renting a telephone from General by \$1 per month. Since equipment charges are billed prospectively, at the beginning of each billing cycle by General, this meant

that Hinz received notice and at the same time got billed for two billing cycles plus the six days between November 1 and the beginning of his November billing cycle, at this new higher rate. In addition, the bill contained a charge for a toll call which Hinz states he did not make. Hinz testified that when he got the bill, he immediately attempted to call General's business office to discuss the error on his bill and to inform General that he did not want to keep his telephone set at the new higher rate. (He continues to use the line but only has an answering machine attached to it.) Getting busy signals upon several attempts to call the business office, Hinz got his telephone set and went to the only address appearing on his bill. When he arrived there, an employee accepted his telephone set and wrote an order for it to be removed from his billing retroactive to November 1, 1980. (This credit appears on Hinz's February bill, Exhibit B.) However, he was informed that this was a "Phone Mart" and not the business office and that no one could help him with any questions about his bill. He stated that the person with whom he spoke was "both uninformed and possessed of a snotty attitude." He left the Phone Mart and wrote a letter to the Commission.

Phipps testified that adjustments generally appear in the billing period following their being made, but that Hinz's records were unavailable at some point. This caused the credit for his turning in his telephone set in December not to appear until his February bill. She also testified about the basis for computing federal excise tax, Long Beach city tax, and credits under Commission Decision (D.) 92366, which appear on Hinz's bills.

Discussion

The address at the top of Hinz's bills is indeed confusing. It is situated so as to be reasonably construed as the business office location. It is unclear why the address of a store selling telephone services appears in that location on the bill. Nothing in the record indicates that this address constituted a purposeful attempt to deceive or that it prevented Hinz from unraveling his bill confusion. We conclude that while Hinz's testimony shows that the initial treatment he received from General was not very helpful and not friendly or diplomatic, the evidence indicates that the telephone conversations and letters between himself and General and between himself and the Commission's Consumer Affairs Branch provided a complete enough explanation of the bills he received so that he could determine whether the adjustments made to the bills in question resulted in correct charges to him. It is not unreasonable for General to make billing adjustments to bills in the billing cycle after the change occurs. In fact, it is impossible to think of any other reasonable way a business could bill its customers. Furthermore, while we do not condone the misplacement of Hinz's file, we do not believe an adjustment which took two billing cycles rather than one is unreasonable when there is no evidence to indicate that such occurrences are regular or frequent.

Exhibits A through F clearly show on their face that the extra \$1 per month attributable to the cost of the telephone rental was returned to Hinz as a credit on his bill of February 10, 1981 (for charges billed for the November, December, and January billing cycles plus November 1 through 6, 1980). Also, it is undisputed that the 72¢ toll call charged on Hinz's December bill was credited back to him on his January bill. Likewise, the zone unit charge of 15¢ and the toll call of 54¢ billed to Hinz in February were credited to him on his March bill (69¢) after he informed General that he had not made those calls.

The only items which remain in question then are the adjustments made for federal excise tax, Long Beach city tax, and Commission D.92366 credits.

Phipps testified that the Commission refund amount is based on the monthly service rate. It is clear from the bills in evidence that the amount used is 3% of the service rate. Simple arithmetic calculations comparing the amount actually given from December through March with the amount which would have been given if the adjustments were made retroactively to the proper bill indicate that the adjustment as of March was correctly calculated to the nearest penny.

Phipps also testified that the federal excise tax is 2% of the monthly rate plus toll calls, while the Long Beach city tax is 5% of the monthly rate plus California toll calls.

Application of these figures to the bills in the same manner suggested above shows that General made an error of 5¢ in favor of Hinz in adjusting federal excise taxes and a 16¢ error in favor of Hinz in calculating Long Beach city taxes. Each of these errors occurred as a result of Phipps' attempt to manually adjust Hinz's bill for March rather than waiting until the computer picked up the changes in April, according to her uncontroverted testimony. She testified that the error amounted to 22¢ - a discrepancy from our calculations which we find attributable to rounding off of fractions.

We are dismayed that the parties were unable to resolve this dispute without the intervention of this Commission. While Phipps testified that Phone Mart personnel are instructed to direct customers with bill inquiries to a telephone in the Phone Mart that is connected directly to the business office, there is no evidence to indicate that this was ever done in Hinz's case.

Furthermore, while we find merit in General's policy not to recompute bills as a general practice, it is clear that inflexible application of this policy has, in this case, defeated its very purpose - the best allocation of the people, time, and resources of the company. On the other hand we do not find Hinz's request for written recomputed bills to be reasonable. The telephone calls and letters of explanation sufficed to give him the information necessary to determine whether General's calculations were correct. There is nothing in the record to indicate that the communications with Hinz deleted any information necessary to his making such a determination.

Findings of Fact

1. It is the practice of General to make adjustments to bills in the next billing cycle after the information becomes available to it.
2. In the case of Hinz one adjustment took two billing cycles rather than one because his file was misplaced.
3. A check from Hinz in the amount of \$20.62 for General service is on deposit with the Commission.
4. The billings to Hinz for December 1980 through April 1981, as adjusted, favor him by 21¢.
5. Hinz has not paid any bills incurred by him since this dispute arose. The total amount owing is about \$20.

Conclusions of Law

1. The billing procedure observed by General is just, reasonable, and adequate as to Hinz.
2. Approximately the amount deposited by Hinz is due and owing to General.

O R D E R

IT IS ORDERED that:

1. Case 11036 is denied.
2. The amount of \$20.62 on deposit with the Commission shall be disbursed to General Telephone Company of California (General) for application to the account of John Hinz. If Hinz presently owes less than \$20.62, any amount in excess of that presently owed by him shall be promptly refunded to him by General.

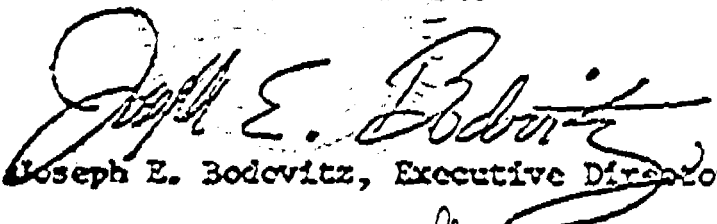
3. Hinz shall resume payment, when due, to General.

This order becomes effective 30 days from today.

Dated MAR 2 - 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director