

ORIGINAL

93096 MAY 19 1981

Decision No. _____

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 revise portions of Schedule Cal.)
 P.U.C. No. 36-T, to provide new)
 criteria for establishing credit for)
 residence service, and to change)
 billing and collection rules for)
 residence service.)

Application No. 59752
(Filed June 23, 1980)

ORDER MODIFYING DECISION NO. 92747
AND DENYING REHEARING

An application for rehearing of Decision No. 92747 has been filed by Toward Utility Rate Normalization. We have considered each and every allegation of error in that application and are of the opinion that good cause for granting rehearing has not been shown. However, Decision No. 92747 should be modified to more clearly state our findings of fact on all material issues, Therefore,

IT IS HEREBY ORDERED that,

1. Decision No. 92747 is modified by adding the following findings of fact:

- 26. Recent studies by Pacific show that residential accounts with less than 13 months' service contribute 15% of the total live billing but account for 74% of the uncollectible revenues.
- 27. Pacific is exposed to greater risk of loss due to uncollectible revenue from new telephone customers with less than 13 months' service than from customers with longer periods of service.

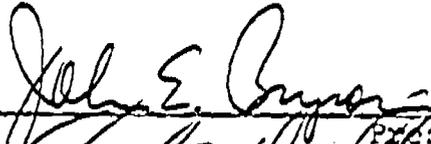
28. It can be seen with reasonable certainty that no group of credit criteria exists which can, with certainty, identify and screen out only those persons who will become poor credit risks or nonpayers of telephone bills in the future.
29. Requiring a greater number of Pacific's credit factors to be answered affirmatively by new applicants for service will help identify a greater number of potential credit risks than would a lesser requirement.
30. A requirement of three affirmative responses to Pacific's proposed credit screen by new applicants provides a reasonable accommodation of the competing interests of Pacific and its ratepayers, on the one hand, by allowing it to better identify potential credit risks and obtaining deposits or a guarantor from such applicants, and, on the other hand, relieving a majority of potentially credit worthy applicants from the burden of having to pay a deposit as a condition of obtaining service.

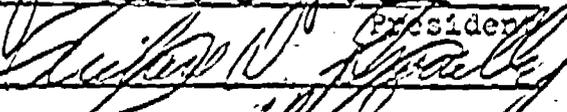
A. 59752 L/pm

2. Rehearing of Decision No. 92747 as modified herein is denied.

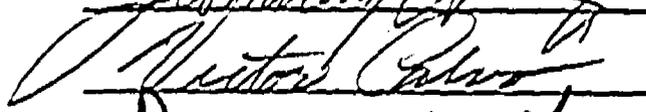
The effective date of this order is the date hereof.

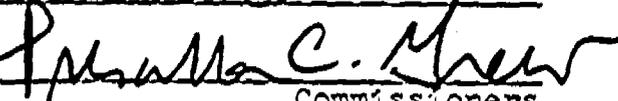
Dated MAY 19 1981, at San Francisco, California.



President








Commissioners