

Decision 96-02-062 February 23, 1996

Under defendant's system a payment received by defendant is credited on the following bill.

Defendant receives the following bill:

Complainant, } ORIGINAL

vs. } (ECP)
Case 95-07-047

GTE California, Incorporated, } (Filed July 12, 1995)

Defendant. } late charge from appearing on her current bill. However, the system does recognize the payment was timely and the late payment charge is credited on the following bill.

Defendant's current bill is credited on the following bill.

Robert R. Philpy, for herself, Complainant
S. Newmark, for GTE California, Incorporated, defendant.

Because of the expedient nature of our review in an Expedited Complaint Proceeding, we refrain from making a general pronouncement regarding defendant's billing system. We do

OPINION

Complainant asserts that she pays her telephone bill on the last day it is due on time (first bill), but that her next bill shows a late payment charge (second bill). Because she has paid the first bill on time her third bill shows a credit. However, her third bill also shows a late payment charge in relation to her second bill. Her fourth bill credits the bill payment charge on the second bill, but shows another late payment charge. As complainant testified, she can't cope with this; she always pays on time, but her bill never shows her telephone charges accurately. A

She wants an order requiring defendant to promptly credit her payments. Public hearing was held September 15, 1995. Defendant admitted the problem and explained how it arose. Complainant pays her bill on the very last payment day. Defendant's billing system commences the process of accumulating billing information approximately eight days prior to the date of issuance of a customer's subsequent bill. The processing includes reviewing the customer's billing data, printing, and mailing the new bill.

Under defendant's system payments received after the first three days of processing will not be credited until the following month.

Defendant recognizes that complainant pays her bill on the actual last payment date, which is 22 days after the billing date. Because complainant pays her bill on the last payment date, defendant's billing system often does not pick it up in time for the current billing cycle and defendant is unable to suppress a late charge from appearing on her current statement. However, the system does recognize the payment was timely and the late payment charge is credited on the following bill. Defendant's current billing system was installed in May of 1994. Prior to that there was no problem with payments made on the last day to pay without penalty.

Because of the case specific nature of our review in an Expedited Complaint Proceeding, we refrain from making a general pronouncement regarding defendant's billing system. But we do remind defendant of TURN v. Pacific Bell (1993) D.93-05-062 49 CPUC 2d 299, where Pacific Bell was fined \$15 million because of improper late charges. GTE California, Incorporated's (GTEC) tariff Rule 10E addressing late payment charges states:

"A late payment charge will apply if payment is not received at the Utility or one of its payment agents by the late payment date printed on the bill."

A late payment charge is shown on the customer's bill and applied to the customer's account even though the customer's payment is made prior to the late payment date printed on the bill. It is clear that, although subsequently reversed, the late payment charge was imposed prior to date specified in GTEC's tariffs. This is inconsistent with Rule 10E. Moreover, GTEC's tariffs do not discuss billing situations where customer payments are received during the eight days preceding issuance of bills, but prior to the reviewing the customer's billing data, printing, and mailing the new bill.

late payment date. Therefore, the tariff is ambiguous in this respect. We expect GTEC to take the necessary steps to ensure that customers who pay their bill on time will not have late charges appear on their bill. And more specifically in this case, complainant's bill must not show a late charge when she pays on time.

O R D E R

IT IS ORDERED that defendant GTE California, Incorporated shall not impose a late charge on complainant Philpy's telephone bill unless complainant's payment is late.

This order is effective today.

Dated February 23, 1996, at San Francisco, California.

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners