

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-10982
July 29, 1987

R R S O L U T I O N

RESOLUTION AUTHORIZING PACIFIC BELL TO REFUND OVERCHARGES COLLECTED FROM PRIVATE LINE SERVICE CUSTOMERS IN COMPLIANCE WITH DECISION 87-07-012. RESOLUTION T-10982.

SUMMARY

In Decision 87-07-012 the Commission ordered Pacific Bell to refund with interest overcharges collected from some private line service customers between March 6, 1985 and August 5, 1985. This resolution authorizes Pacific Bell to implement the Commission's decision as specified below. The total amount which will be refunded to the appropriate customers is approximately \$427,211.

BACKGROUND

Decision 84-06-111 authorized Pacific Bell to increase its private line rates by amounts which the Commission expected would not exceed 100 percent of pre-increase rates. The adopted rates, however, caused rate increases exceeding 100 percent for customers of intraexchange or intradistrict private line service (specifically for circuit types 1009, 3001, and 3009). After unsuccessful negotiations with the utility, affected customers filed a complaint with the Commission (Case 84-10-044), and two months later the Commission issued an Order of Investigation (I. 84-12-025), which eventually was consolidated with the complainants' proceeding.

In Decision 85-07-090 the Commission confirmed a reduction in private line rates and established a common fund from which overcharges were to be repaid to customers. This led to a request for compensation filed by the complainants' counsel on August 6, 1985. In Decision 87-07-012 the Commission ordered Pacific Bell to pay the complainants (Sonitrol of Fresno, Inc. and Sonitrol Security, Inc.) and their attorneys a sum of \$80,084.68 plus interest at the 3-month commercial paper rate from October 20, 1986. This payment is to be deducted from the common fund. In the same decision the Commission stated that refunds to customers would be authorized by this resolution.

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By letter dated July 21, 1987, and supplement letter dated July 22, 1987, Pacific Bell estimates that the total common fund amount is \$511,346 (this figure includes \$76,346 in interest), assuming refunds will be issued to customers 120 days after the effective date of this resolution. The utility intends to pay Sonitrol of Fresno, Inc., Sonitrol Security, Inc. and their attorneys \$84,135.36 (this figure includes \$4,050.68 in interest for the period October 20, 1986 to August 7, 1987) by August 7, 1987, which is to be deducted from the common fund in accordance with Decision 87-07-012. This leaves a balance of \$427,211 to be refunded by Pacific Bell to the appropriate customers.

DISCUSSION

The utility requests a period of 120 days to implement the refunds ordered by the Commission because:

1. In the period since the services in question became subject to refund, the accounts have been converted to a format which improved the accuracy and efficiency of billing. This conversion process changed the customer billing number. To implement the refunds, therefore, an old-to-new match must now be made to accomplish the refund.

2. Systems designing, coding, testing, and validating must be done in order to assure that the refund amount is properly adjusted for interest and attorneys' fees and that the records process correctly.

Like Pacific Bell, we believe it would be wise to implement the refund order correctly and with little, if any, imposition on the customers. At the same time, however, we believe the refunds should be issued sooner than what Pacific Bell proposes. Recognizing the utility will pay interest (at the latest available commercial paper rate) up to the time the refund is made, we believe Pacific Bell should issue refunds within 60 days from the effective date of this resolution. Under extenuating circumstances the utility may, at a later date, ask the Commission's Executive Director to extend this 60-day limit.

FINDINGS

Pacific Bell's refund plan, as modified in this resolution, is found to be reasonable and in compliance with Decision 87-07-012.

IT IS ORDERED that:

(1) Pacific Bell shall issue refunds to affected customers in the manner specified in this resolution.

(2) Case 84-10-044 and I. 84-12-025 are hereby closed.

This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 29, 1987. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



Executive Director