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to Executive Director

RESOLUTION NO. T-11047

EVALUATION AND COMPLIANCE
DIVISION

DATE: June 25, 1986

RESOLUTION_____
Director_____
Numerical File_____
Alphabetical File_____
Accounting Officer

SUBJECT: Happy Valley Telephone Company and Hornitos Telephone Company. Order authorizing disconnection of a customer for non-payment even though a deposit is on file. This condition is consistent with other utilities in the telephone industry. Resolution No. T-11047.

WHEREAS: HAPPY VALLEY TELEPHONE COMPANY, by Advice Letter No. 83 and HORNITOS TELEPHONE COMPANY, by Advice Letter No. 74, filed on May 27, 1986, request authority under Section 454 of the Public Utilities Code to make effective the following tariff revisions:

To allow Happy Valley and Hornitos Telephone Companies to disconnect a customer for non-payment even though a deposit is on file with the utility. After disconnection of service, the deposit will be applied to the unpaid balance. Any remaining deposit would be refunded to the customer. Previously, it had been Happy Valley and Hornitos Telephone Companies policy not to discontinue customer service until the customer's deposit had been fully absorbed by past due and current charges.

Because deposits are taken to establish a customer's credit by securing payment of final bills, the policy of waiting until the deposit is fully absorbed by past due and current charges results in an increase in bad debt expense. Happy Valley and Hornitos Telephone Companies do not presently disconnect a customer until the past due and current (billed) charges exceed the deposit. Inevitably, additional usage occurs prior to disconnect and results in a final bill in excess of the deposit. In the case where a customer moves without leaving a forwarding address, it is nearly impossible to collect final payment and results in a write-off. The new policy established by this filing is identical to Pacific Bell's, CP National's, Continental's, and all but two independent companies' tariffs.

Written notice of this policy change will be provided to all customer's by bill insert.

The Commission finds that the rates, charges and conditions authorized in this Resolution are just and reasonable and present rates, charges and conditions, as they differ from the rates, charges and conditions authorized in this Resolution are for the future unjust and unreasonable; and good cause appearing,

IT IS ORDERED that:

(1) Authority is granted to make the above revisions effective on June 27, 1986.

(2) Happy Valley Revised Cal. P.U.C. Sheet No. 567-T and Hornitos Revised Cal. P.U.C. Sheet No. 441-T shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission No. T-11047.

The effective date of this Resolution is today.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the Public Utilities Commission of the State of California, held on June 25, 1986, the following Commissioners voting favorably thereon:



Executive Director

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
STANLEY W. HULETT
Commissioners