

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-13008
August 10, 1988

R E S O L U T I O N

Ponderosa Telephone Company. Order authorizing disconnection of a customer for non-payment although a deposit is on file.

SUMMARY

Ponderosa Telephone Company (Ponderosa) filed Advice Letter 147 on April 26, 1988, requesting authority to disconnect a customer for non-payment although a deposit is on file. Currently the deposit must be applied to the bill. Only after the entire deposit has been applied to the customer's bill, can the utility start with the notice requirements for disconnection. Should a customer ultimately be disconnected, the deposit provides no protection because it has already been applied towards the bill before the disconnection date.

DISCUSSION

The purpose of deposits are to offset losses incurred by unpaid final bills. Ponderosa's deposits are not able to serve that purpose because a deposit may be drawn down to zero before the final bill is issued. If a customer has charges in excess of the deposit, the utility may be unable to collect said charges resulting in uncollectibles. Therefore those deposits are unable to provide the utility protection against uncollectibles.

Disconnection of a customer for non-payment, even though a deposit is on file, will allow the deposit to provide protection against uncollectibles. After disconnection of service, the deposit will be applied to the unpaid balance. Any remaining deposit would be refunded to the customer.

Ponderosa's request to disconnect a customer for non-payment would be identical to the procedures used by the industry. On May 28, 1986, by Resolution T-11042, the Commission granted authority to Pinnacles Telephone Company and Calaveras Telephone Company to disconnect a customer for non-payment even though a deposit is on file. This resolution would grant similar authority to Ponderosa.

Written notice of this policy change with regard to deposits will be provided to all customers by bill insert.

FINDINGS

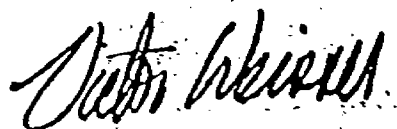
- 1) Ponderosa has requested authority to disconnect a customer for non-payment even though a deposit is on file.
- 2) Currently a deposit must be exhausted before disconnection thereby providing no protection against uncollectibles.
- 3) This resolution will allow Ponderosa to have a deposit policy similar to the rest of the industry.
- 4) The Commission approved Resolution T-11042 which provided authority to Pinnacles Telephone Company and Calaveras Telephone Company to disconnect a customer for non-payment even though a deposit is on file.

IT IS ORDERED that:

- (1) Ponderosa is authorized to disconnect a customer for non-payment even though a deposit is on file.
- (2) The tariff sheets of Ponderosa's Advice Letter No. 147 shall be marked approved by Resolution T-13008.
- (3) The effective date of Ponderosa's Advice Letter No. 147 shall be September 1, 1988.
- (4) The effective date of this resolution is today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 10, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
C. MITCHELL WILK
B. O'HANIAN
Commissioners



Executive Director