PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-13016
August 24, 1988

RESOLUTION

PACIFIC BELL (U 1001 C). ORDER AUTHORIZING THE REVISION OF THE SUPERSEDURE FORM TO ALLOW PACIFIC BELL TO SEND DISCONNECT SERVICE NOTICE IF THE SUPERSEDURE FORM IS NOT RETURNED TO THE UTILITY WITHIN 15 DAYS. (ADVICE LETTER NO. 15300 AND SUPPLEMENTS 15300A,B & C).

SUMMARY

Currently, an existing business customer planning to disconnect telephone service may transfer responsibility of his or her account with Pacific Bell to another business customer. In superseding the existing account, the new customer is not required to pay the non-recurring service order and central office work charges normally imposed on "new connect" customers, but is required to pay the non-recurring charge of $7.00 for supersedure. For the transfer to occur, however, both the existing customer and the new customer superseding the account are required to complete, sign and return to Pacific Bell a special supersedure form. Unless this form is completed, signed and returned, the utility will continue to assume that a transfer of responsibility for the account never occurred and holds the existing customer liable for the charges associated with the account. Failure to return this form on time has caused customer confusion over who has responsibility for the account; which has resulted in numerous complaints filed with the Commission's Consumer Affairs Branch.

This resolution authorizes Pacific Bell to disconnect telephone service associated with the existing account if the outgoing and incoming customers fail to complete, sign and return a "Request to Transfer Customer Responsibility" supersedure form within fifteen days from receiving a request for supersedure form. Granting the utility this authority will reduce the confusion resulting from the current supersedure process.

The Telephone Answering Service of California (TASC) filed a protest to Pacific Bell Advice Letter No. 15300 on October 7, 1987. Though their concerns have been addressed, TASC believes that the incoming customer should not be responsible for any omissions to billing or contractual obligations. TASC's protest is denied.

BACKGROUND

Under Pacific Bell's tariff, an existing business customer planning to disconnect telephone service may instead transfer responsibility of the account to another person. This process is called supersedure. In superseding the existing account, the incoming customer is relieved from paying the non-recurring charges for central office work charges and service order charges normally associated with establishing basic telephone service. For business customers, this charge is $70.00. In most cases, the incoming customer initiates his transaction by calling the utility, which sends the incoming customer, a supersedure form to complete. The next step calls for the outgoing customer to fill out the form. In many cases, the outgoing customer fails to return this form to the utility. Absent receipt of this completed form, the utility assumes the transaction never transpired, and the responsibility of the account continues to be that of the existing customer. Herein lies the problem: the existing customer assumes the transfer occurred, while the utility continues to hold the existing customer responsible for charges that appear on the account. Pacific Bell and the Commission's Consumer Affairs Branch devote a significant amount of their staff time handling complaints arising from this situation. Consequently, the Telecommunications Branch of the the Commission Advisory & Compliance Division (CACD) asked the utility to look into this problem and propose a reasonable solution.

In response to the CACD's staff request, Pacific Bell filed Advice Letter No. 15300 on September 21, 1987, requesting authority, under Public Utilities Code Section 454, to terminate the existing account if the outgoing and incoming customers fail to complete, sign and return the "Request to Transfer Customer Responsibility" form to the utility within fifteen days from receiving a request for supersedure. The utility commits to following its normal notice procedure before telephone service is actually disconnected. This means that prior to the fifteen day period expires, the utility will mail a notice to the outgoing customer, informing the customer that telephone service will be disconnected in seven days.

PROTEST

The Telephone Answering Service of California (TASC) filed a protest to Pacific Bell Advice Letter No. 15300 on October 7, 1987. Supplements 15300A and 15300B were filed October 27, 1987 and November 12, 1987 respectively, to extend the effective date of the Advice letter filing until the protest could be resolved. On July 25, 1988, Pacific filed supplement 15300C to address some of the concerns of CACD and TASC. The protestant provided the following information, claims and argument:

1. The supersedure form fails to protect the rights of the incoming customer.

2. There should be methods that ensure orderly supersedure and it should include full disclosure to both the incoming and the outgoing customer. Full disclosure should be included in the following:

a. notification of all existing contracts and basic termination charges.

b. notice of discontinuance of service because of non-receipt of the Supersedure form.

c. notice of service termination before the effective date of supersedure. An incoming customer should be able to stop a request by the outgoing customer for a discontinuance of service before the effective date of the supersedure.

On October 15, 1987, Pacific Bell offered the following points in its response to the protest:

1. Pacific Bell, in their current Methods and Procedures (M&P), addresses some of the concerns of TASC. For instance, Pacific Bell will call both parties to remind them to send in the form. In addition, Pacific is developing a plan which will provide an itemization of services to business customers on an annual basis.

2. Pacific does not feel that their current M&P's should be a tariffed requirement. The incidental occurrence does not justify the expense and the re-training of their employees.

3. Pacific Bell will perform a cost-effective study upon the recommendation of the Commission.

DISCUSSION

TASC protested Pacific Bell's Advice Letter No. 15300 because they believe that the rights of the incoming party are not being protected. TASC believes that the incoming party has the right to know what services they will be superseding, the right to know if the supersedure form has not been received by the utility and notification when the outgoing customer requests disconnection before the effective date of supersedure.

Pacific has been working with CACD in developing a form that would meet the concerns of the protestant, which is to protect the rights of the incoming customer, and we believe that form K 2160-B (FORM) meets these concerns.

We agree that the incoming customer should be aware of all billing and contractual obligations associated with the telephone number being superseded. The outgoing customer will initial the FORM and Pacific will disclose all proprietary information to the incoming customer via the telephone and written confirmation. Notification of all obligations will take place before the effective date of supersedure.

There may be incidents where a billing and/or contractual obligation may be overlooked and discovered in the future. TASC believes that Pacific should be responsible for disclosing all billing and contractual information and any omissions should be the responsibility of Pacific. CACD believes that Pacific will attempt to minimize any errors that can occur. To ensure that no competitive advantage is given to any person or corporation, utility customers are responsible for paying the tariffed rates regardless of any omissions or errors.

Another concern of the protestant is that notification be given to the incoming customer when the outgoing customer discontinues service prior to the effective date of supersedure. The revised form informs the outgoing customer that if discontinuance of service is elected prior to the effective date of supersedure, the incoming customer is to be notified of this by the outgoing customer.

In addition, Pacific will discontinue service if the form is not received by the utility within the 15 day period. Before disconnection, Pacific will notify both the outgoing and incoming customer via the telephone and by letter if needed.

CACD requested the utility to revise the supersedure form because the language on the existing version was ambiguous and some outgoing customers assumed that their telephone service had been superseded when it actually had not. This left the outgoing customer financially responsible for service they did not receive. This revision clarifies responsibility, and it allows the utility to discontinue service if the form is not received on a timely basis. This protects the utility from uncollectible charges and also protects the outgoing customer from charges for services not received. TASC's concerns assisted CACD and Pacific in revising the form so that the rights of the incoming customer are also protected.

FINDINGS

We find that TASC's protest should be denied.

IT IS ORDERED THAT:

1. Pacific Bell Advice Letter No. 15300 and associated supplements 15300A,B&C are granted and the tariff revisions shall become effective October 24, 1988.

2. All tariff sheets associated with Pacific Bell's advice letter filing shall be marked to show that they have been authorized by this resolution.

3. The effective date of this resolution is August 24, 1988.

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

Executive Director

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