

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14030
TELECOMMUNICATIONS BRANCH December 18, 1989

R E S O L U T I O N

PACIFIC BELL. REQUEST TO EXTEND THE PROVISIONAL TARIFF FOR THE ESTABLISHMENT OF CREDIT AND THE ELIMINATION OF DEPOSIT REQUIREMENTS FOR RESIDENCE TELEPHONE SUBSCRIBERS, AUTHORIZED BY RESOLUTION T-12092 ON JUNE 17, 1988 AND DUE TO EXPIRE DECEMBER 31, 1989.

BY ADVICE LETTER NO. 15625, FILED ON NOVEMBER 1, 1989.

SUMMARY

This resolution authorizes Pacific Bell's request, in Advice Letter No. 15625 filed on November 1, 1989, to extend the provisional tariff (Schedule Cal.P.U.C. A2.1.6 - Rule 6) for the establishment of credit and the elimination of deposit requirements for residence telephone service due to expire December 31, 1989. This provisional tariff was filed under Advice Letter No. 15401 and was authorized by Resolution T-12092 on June 17, 1989 to carry out Ordering Paragraph No. 2 of I.86-08-008 with the trial of uniform tariff rules for the establishment of credit and requirement for deposits by telephone corporations. The trial will be completed on December 31, 1989, as ordered in T-12092. However, the committee designated to conduct it requires six months to compile and evaluate the complete trial data and make a final report to the Commission in I.86-08-008. Therefore, in order to minimize confusion for company customers and staff pending the Commission's decision in this investigation, the provisional tariff will remain in effect until further order of this Commission.

BACKGROUND

Decision 85-03-017 ordered a two-to-three year trial of a Centralized Credit Check System (CCCS) by the seven largest local exchange telephone companies and established the CCCS Industry Committee to implement this trial. The goal of the CCCS is to reduce uncollectible losses by finding and collecting "skip" accounts (unpaid), and reduce the revenue requirement of California telephone companies and their ratepayers.

As a companion to the CCCS trial, the Commission instituted I.86-08-008 to evaluate and specify uniform tariff rules for the establishment of credit and requirement of deposits for telephone corporations subject to its jurisdiction. The CCCS

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Committee was ordered to conduct workshops and trials of proposed tariffs concurrent with the CCCS trial. Resolution T-12092 authorized provisional tariffs to carry out a "deposit trial" involving the seven CCCS companies and one other independent local exchange company from July 1, 1988 to December 31, 1989. The seven companies comprise three control groups using different tariffs. As ordered in T-12092, the CCCS Committee reports on the trial progress and findings semiannually, and proposes to continue these interim reports pending its final report and recommendations, which are expected to be submitted to the Commission by June 30, 1989.

PROTESTS

The Commission Advisory and Compliance Division (CACD) has received no protests to this advice letter.

DISCUSSION

A six-month period to compile and evaluate the results of the "deposit trial" seems reasonable, in consideration of the concurrent competitive bidding for the post-trial CCCS that the CCCS Committee is also conducting at the Commission's direction.

This six-month period does not dictate that the provisional tariffs established to carry out the trial must be extended. However, one of the primary intents of the Commission in evaluating uniform tariffs for deposits was to ease the burden on telephone company customers who move among the different service territories. If the provisional tariff expires, Pacific must return to its original practice of requiring deposits for residential service on January 1, 1990. It is likely that the Commission's conclusions in I.86-08-008, following receipt of the Committee's final report, will require further changes. Therefore, in keeping with the Commission's original intent to minimize customer confusion over deposit rules, the CACD recommends that Pacific's request to retain the provisional tariff be authorized. Further, the CACD recommends that the provisional tariff be left in place pending further order by the Commission.

FINDINGS

1. I.86-08-008 ordered the CCCS Committee to conduct experiments and trials of potential uniform tariffs for the establishment of residential telephone service.
2. Resolution T-12092 authorized provisional tariffs required for the conduct of such trials by the CCCS Committee, so that it may make recommendations to this Commission.
3. Pacific Bell's Advice Letter No. 15625 filed on November 1, 1989, requests authority to extend the provisional tariff (Schedule Cal.P.U.C. A2.1.6 - Rule 6) for the establishment of credit and the elimination of deposit requirements for residence telephone service due to expire December 31, 1989. This

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provisional tariff was filed under Advice Letter No. 15401 and was authorized by Resolution T-12092.

4. A six-month period to compile and evaluate the results of the "deposit trial" conducted pursuant to I.86-08-008 and T-12092 is reasonable.

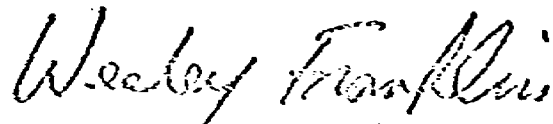
5. In keeping with the Commission's original intent to minimize customer confusion over deposit rules, the CACD recommends that Pacific's request to retain the provisional tariff be authorized. Further, the CACD recommends that the provisional tariff be left in place pending further order by the Commission.

THEREFORE, IT IS ORDERED that:

1. Advice Letter No. 15625 is authorized, with the change that the provisional tariff in Schedule Cal.P.U.C. A2.1.6 will remain in effect until further order of this Commission in I.86-08-008.
2. Advice Letter No. 15625 and accompanying tariff sheets shall be marked as approved by Resolution T-14030.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 18, 1989. The following Commissioners approved it:

G. MITCHELL WALK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. CHANAN
PATRICIA M. ECKERT
Commissioners



WESLEY FRANKLIN
Acting Executive Director