

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15028
Telecommunications Branch July 22, 1992

R E S O L U T I O N

RESOLUTION T-15028. GTE CALIFORNIA, INC. (U-1002-C).
REQUEST FOR AUTHORIZATION TO DEVIATE FROM THE
REQUIREMENTS OF D.85-03-017 TO CONDUCT A CLOSED TEST OF
THE SHARING OF DATA BETWEEN THE CENTRALIZED CREDIT CHECK
SYSTEM AND THE CALIFORNIA UTILITY EXCHANGE.

BY ADVICE LETTER NO. 5399, FILED ON JUNE 18, 1992.

SUMMARY

GTE California, Inc. (GTEC), is authorized to deviate from the requirements of Decision D.85-03-017 (Ordering Paragraph 3.d. and e.) for a period not to exceed 60 days to conduct a closed test of the sharing of data between the Centralized Credit Check System (CCCS) and the California Utility Exchange (CUE). The test will commence three business days after Advice Letter No. 5399 is made effective, and will conclude within seven business days. Advice Letter No. 5399 is made effective August 1, 1992.

BACKGROUND

The CCCS and CUE are separate data base systems designed to facilitate the identification of high risk new service applicants and to help locate and collect from "skip" accounts. The computerized systems utilize secure and confidential data bases to match former customers and new service applicants provided by participating companies.

The CCCS, created by D.85-03-017 (OII 83-08-02), has been operational since May of 1986. The system, used by the six largest telephone companies in California, produces more than 30,000 matches per month. CCCS members include GTEC, Pacific Bell, Contel of California, Roseville Telephone Company, Alltel and Citizens Utilities.

The CUE, established in 1985, includes the following members: Southern California Edison, San Diego Gas & Electric, Pacific Gas & Electric, Sierra Pacific Power Company, Los Angeles Department of Water and Power and Southern California Gas Company.

GTEC, in cooperation with the other participating members of the CCCS, would like to conduct a test to determine the value of the telephone and energy companies sharing credit data. The objective of the test is to determine the potential of a new collection tool to reduce bad debt write-offs. Recent legislation (Stats. 1989, Ch 1066, Sec. 2.5, PUC Code Section 761.5) enabled the Commission, whenever it determines it would be cost-effective, to authorize electrical and gas corporations to share information on customers with telephone corporations and publicly owned public utilities. However, Commission Decision D.85-03-017, Ordering Paragraph 3 states in part:

- "d. The CCCS data base shall not receive input from sources other than the participants, nor shall CCCS data be released to nonparticipants.
- e. The CCCS data base shall be the property of the participants, and it shall not be commingled with any other data base."

GTEC requests authorization from the Commission to conduct a closed test of the CCCS data base in association with the CUE data base to determine the value of identifying high risk customer service applicants and locating "skip" accounts. The test will commence three business days after authorization by the Commission, and will conclude within seven business days. The goal of the CCCS and the CUE is to conduct the test as soon as possible, and complete the study by September 1, 1992.

No action, positive or negative, will be taken for or against consumers matched in this test. The CCCS vendor, Equifax, will prepare the test data, administer the evaluation and test conditions and remain the custodian of the information to protect telephone and energy customers involved. Equifax will report on the results of the test at the joint meeting of the CCCS and CUE committees in which the Commission staff is a participant.

If the test is successful, the CCCS participating companies anticipate petitioning the Commission to modify its Decision (D.85-03-017) to permit the input of data from and sharing of CCCS data with energy utility participants in the CUE system as well as the commingling of the CCCS and CUE data bases.

GTEC requests that Advice Letter No. 5399 be made effective August 1, 1992.

DISCUSSION

In our Decision D.91-05-018 authorizing uniform revisions to local exchange company tariff rules governing applications for telephone service and establishment of credit, we commended the CCCS committee for its diligent work and successful submission of uniform and effective rules for establishment of credit and administration of deposits. The committee was instituted seven years ago by the Commission to coordinate research and policy

development on how to reduce consumer fraud and uncollectible accounts.

Recent legislation (PU Code Section 761.5) permits the Commission to authorize, when cost-effective, the participation by electrical and gas corporations in a centralized credit check system to share information on customers with telephone corporations and publicly owned public utilities. By this closed test, which is designed to test the feasibility and cost-effectiveness of the sharing of data between the CCCS and the CUE, the CCCS committee is continuing its efforts to reduce consumer fraud and uncollectible accounts.

We therefore believe it is in the public interest to permit GTEC in cooperation with the other participating members of the CCCS to conduct this closed test as defined by its Advice Letter No. 5399, and we authorize GTEC and the participating members of the CCCS to deviate for a period not to exceed 60 days from the requirements of D.85-03-017, Ordering Paragraph 3.d and e. Should GTEC and the participating members of the CCCS wish to continue the input of data from and sharing of CCCS data with energy utility participants in the CUE system and the commingling of the CCCS and CUE data bases on a permanent basis, they must petition the Commission to modify Decision D.85-03-017.

PROTESTS

Copies of GTEC's Advice Letter No. 5399 were mailed to competing and adjacent utilities and other interested parties; notice of this Advice Letter was published in the Commission's Daily Calendar of June 22, 1992. No protests have been received.

FINDINGS

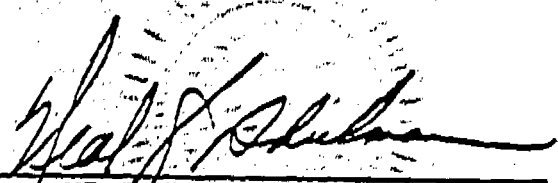
1. GTEC filed Advice Letter No. 5399 on June 18, 1992, requesting authorization to deviate from the requirements of D.85-03-017, Ordering Paragraph 3. d. and e., for a period not to exceed 60 days to conduct a closed test of the sharing of data between the CCCS and the CUE.
2. To reduce consumer fraud and uncollectible accounts it is in the public interest to authorize GTEC and participating members of the CCCS to deviate from the requirements of D.85-03-017, Ordering Paragraph 3.d. and e., for a period not to exceed 60 days.
3. Should GTEC and the participating members of the CCCS wish to continue the input of data from and sharing of CCCS data with energy utility participants in the CUE and the commingling of the CCCS and CUE data bases, they should petition the Commission to modify Decision D.85-03-017.
4. GTEC's Advice Letter No. 5399 should be made effective August 1, 1992.

THEREFORE, IT IS ORDERED that:

1. Advice Letter No. 5399 of GTE California Inc. is made effective August 1, 1992.
2. Advice Letter No. 5399 should be marked to show that it was authorized by this Resolution on its effective date.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 22, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners