

LOUISIANA PUBLIC SERVICE COMMISSION

GENERAL ORDER

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In re: Prohibition against termination of or denial of service by a providing utility to a customer or potential customer based on failure to pay for charges incurred on an account for services, where the account has been closed with no further charges or payments made on the account for a period of three years or more.

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(Decided at the December 7, 1993 LPSC Open Session)

It has come to the Commission's attention that it is common practice for the utilities under its jurisdiction to either deny the initiation of service to a customer or disconnect the service of an existing customer based solely on the non-payment by that customer of charges incurred on an account opened in the customer's name or using the customer's driver's license or social security number, which account has been subsequently closed and "written-off" by the utility with no further charges or payments for services having been incurred or made on the account for a period of three years or more.

It is recognized that non-payment of utility bills by customers is a problem faced by all utilities. Extra time, effort and expense is incurred in attempting to and actually collecting delinquent accounts.

With the advent of sophisticated computer programming which enables utilities to conduct comprehensive searches and cross referencing of their databases, "written-off" delinquent accounts for current customers are resurfacing and these customers are being forced to make payments on the delinquent accounts in order to prevent their current service from being subject to disconnect. While the utilities cannot be totally faulted for wanting to collect monies due on the delinquent accounts, a number of the accounts have been closed, "written-off" and have remained uncollectable for three years or more. A similar occurrence is happening with customers trying to initiate new or transfer old service.

A customer may have a legitimate reason why he or she should not be held liable for the amounts due under the delinquent account, but is put in the untenable position of being unable to defend himself because, due to the passage of time, favorable evidence no longer exists. The customer's only options are to pay the monies due under the delinquent account, have his/her utilities disconnected or the initiation of new service refused.

The Commission thus finds it to be in the public interest for all jurisdictional utilities to adhere to a three year prescriptive period for denial of service or disconnect of current service for non-payment on a delinquent account. The three year period will commence to run upon the later of charges for services rendered on the account or payment on the account. After the three year period has run, the utilities cannot use non-payment on the delinquent account as a basis for refusing the initiation of new service or disconnecting currently held service. The three year prescriptive period will not apply where the utility has obtained a judgment from a Louisiana court and has made it executory.

ACCORDINGLY, IT IS ORDERED THAT:

The utility companies subject to the jurisdiction of the Commission shall not refuse to initiate new service or disconnect existing service due to the refusal of a customer to make payments on a delinquent account that has been closed, with no further services charged or payments made on it, for a period of three years or more unless and except a judgment has been issued by a court of competent jurisdiction on such delinquent account.

BY ORDER OF THE COMMISSION  
BATON ROUGE, LOUISIANA  
December 13, 1993

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