

Decision No. 73704

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIALALARM, INC., a corporation,
and WILLIAM C. BREEDING,

Complainants,

vs.

GENERAL TELEPHONE COMPANY OF
CALIFORNIA, a corporation,

Defendant.

Case No. 8649
(Filed June 20, 1967)

COMPUTER SECURITY SYSTEMS, INC.
a California corporation

Complainant,

vs.

GENERAL TELEPHONE COMPANY,

Defendant.

Case No. 8698
(Filed October 10, 1967)

In the Matter of the Suspension
and Investigation on the Commis-
sion's own motion of tariffs
covering the furnishing of Alarm-
Coupler Equipment for use with
customer owned or provided alarm
sending devices by General
Telephone Company of California.

Case No. 8709
(Filed October 17, 1967)

A. M. Hart and H. Ralph Snyder, Jr.,
for General Telephone Company of
California, defendant in Case No. 8649
and Case No. 8698, respondent in
Case No. 8709.

Arthur Livingston, for Dialalarm, Inc.,
and W. C. Breeding, for himself and
for Dialalarm, Inc., complainants in
Case No. 8649; Wyman, Bautzer, Finell
& Rothman, by Alvin M. Cassidy,
for Computer Security Systems, Inc.,
complainant in Case No. 8698.

William B. Tiffany and T. R. Cataldo,
for Electra International Company;
William Robert Moreland, for
Robomonitor Corporation; and
Donald E. Kennedy, for Sentry Systems, Inc.,
interested parties.

Tibor I. Toczaer, for the Commission staff.

O P I N I O N

In Case No. 8649, filed June 20, 1967, Dialalarm, Inc., a manufacturer and distributor of alarm reporting systems, and William C. Breeding seek a Commission order requiring General Telephone Company of California (General) to file tariff sheets offering an alarm coupler through which customer-owned or provided alarm sending devices may be connected to General's telephone lines. General, after reversing an earlier position, filed such tariff sheets on September 20, 1967 under Advice Letter No. 1894.

In Case No. 8698, filed October 10, 1967, Computer Security systems, Inc. seeks a Commission order permanently suspending the tariff sheets filed under said advice letter and requiring General to furnish alarm coupler equipment which will permit the two-way transmission of signals.

In Case No. 8709, filed October 17, 1967, the Commission suspended through February 17, 1968 the tariff sheets filed under Advice Letter No. 1894 and instituted an investigation to determine if the suspended tariffs are unreasonable or unlawful and to issue any appropriate orders in the premises.

These matters were consolidated for hearing held before Examiner Main on December 18, 1967 at Los Angeles and were submitted on that date subject to the receipt of late-filed exhibits on or before December 28, 1967. These exhibits have been received and the matters are now ready for decision.

During the initial stage of the hearing and after conference, Dialalarm, Inc., William C. Breeding, Computer Security Systems, Inc., and General stipulated that adoption of a one-way

coupler would not preclude General from considering another coupler which could be used in conjunction with products utilizing two-way transmission of signals; complainants thereupon requested that their complaints in Cases Nos. 8649 and 8698 be dismissed without prejudice.

In support of placing into effect the suspended tariff sheets, General presented, in substance, the following case:

1. The alarm coupler, designated as the WECO KS-20008-L1 Control Unit, is essentially the same coupler available to subscribers of The Pacific Telephone and Telegraph Company (Pacific), and the installation charge of \$20 and the \$2.75 monthly rate set forth in the suspended tariff sheets are also Pacific's presently effective installation charge and monthly rate for this supplemental equipment.

2. There is a need for the service performed by customer-owned or provided alarm reporting units in General's service territory as evidenced by the complaint of Dialalarm, Inc.; the requirements for alarm couplers are estimated by General to be 44 installations during 1967 and 1968 in said territory.

3. The alarm coupler provides an interface between customer-owned alarm sending devices and telephone line facilities, and is necessary to protect General's system. In operation, the coupler receives dial pulses generated by the customer's equipment and reconstitutes the pulses in a form compatible with the central office switching equipment. The coupling device then provides a suitable transmission path for connecting the prerecorded voice message from the customer's alarm unit to the telephone line.

In contraposition to the supporting case, the record discloses that the aforesaid \$20 installation charge and \$2.75 monthly rate are not supported on the basis of estimated costs by General's computations (Exhibit 3), that an installation charge of \$20 and a \$4.50 monthly rate result from such computations and that General is unwilling to assume the burden of the potentially non-compensatory rates. Also, there is some question as to the reasonableness of the coupler design for this application, primarily because the essential functions of the coupler, other than serving as an interface and providing DC isolation of the customer's equipment, have not been conclusively shown on this record. The couplers carry a purchase price of approximately \$125 each from General's supplier, the Graybar Electric Company.

In the circumstances, it appears desirable that a tariff offering of the alarm coupler be made on an experimental basis for a two-year period. During that time General and its subscribers would have an opportunity to gain actual experience with the performance of the alarm coupler and General should gain needed cost experience in its use.

The Commission finds that:

1. The complainants in Cases Nos. 8649 and 8698 have requested that their complaints be dismissed without prejudice.
2. A public need exists for connecting alarm reporting devices to General's telephone lines and for assuring reasonable protection to the telephone system upon making such connections.

3. Currently The Pacific Telephone and Telegraph Company offers substantially the same alarm coupler, at the same rates and charges, offered in the suspended tariffs filed under General's Advice Letter No. 1894.

4. An experimental status for the alarm coupler offering by General is appropriate because:

a. The rates set forth in said suspended tariff sheets may not be compensatory;

b. The useful performance characteristics of the alarm coupler are not fully shown on this record;

c. A less complex and costly interface device may be adequate in this application; and,

d. The matters of telephone utility indemnification and liability limitation are presently being considered by this Commission in its investigation, Case No. 8593, and special conditions related thereto for the alarm coupler offering may require modification following final determination in that proceeding.

5. It is reasonable, and public convenience and necessity require, that General be permitted to offer the alarm coupler as supplemental equipment under modified tariff sheets on an experimental basis not to exceed two years unless otherwise ordered.

The Commission concludes that the complaints in Cases Nos. 8649 and 8698 should be dismissed without prejudice, that the tariffs filed under Advice Letter No. 1894 on September 20, 1967 should be permanently suspended, and that General should be permitted to file the tariff sheets shown in Appendix A attached under the conditions herein ordered.

O R D E R

IT IS ORDERED that:

1. The complaints in Cases Nos. 8649 and 8698 are dismissed without prejudice.

2. On the effective date of this order, the operation of the following tariff sheets of General Telephone Company of California is hereby permanently suspended:

SCHEDULE CAL. P.U.C. NO. A-15

- a. 3rd Revised Check Sheet A
- b. 1st Revised Sheet 21
- c. 1st Revised Sheet 66
- d. 1st Revised Sheet 67
- e. Original Sheet 67.1

3. Within thirty days after the effective date of this order, General may file the tariff sheets shown in Appendix A to this order, which offer alarm couplers as supplemental equipment for a period not to exceed two years. If prior to the expiration of this two-year period General shall have applied to have the alarm coupler offering removed from experimental status and shall have offered a showing of the reasonableness of the coupler's design for this service and of the reasonableness of the rates and charges applied, this offering may be continued by further order of this Commission.

The effective date of this order shall be February 17, 1968.

Dated at San Francisco, California, this 6th day of February, 1968.

President

William L. Bennett

Augustine

William J. ...

Paul P. Monsey

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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SUPPLEMENTAL EQUIPMENT

RATES

	<u>Nonrecurring Charge</u>	<u>Monthly Rate</u>
A.H. Coupler Serving Arrangements for use in connection with customer-owned or provided equipment (SEE SPECIAL CONDITIONS 1.a. and 1.b.)		
1. Alarm-coupler equipment for use in connection with customer-owned or provided alarm sending devices to permit transmission of prerecorded messages	\$20.00	\$2.75

(N)

SPECIAL CONDITIONS

1.a. Alarm-Coupler Equipment

- (1) Alarm Coupler Service will only be provided in connection with:
 1. Business or residence individual lines
 2. Private branch exchange service, or
 3. Centrex service
- (2) The customer-owned alarm sending device shall be electrically compatible with the alarm coupler and the customer shall provide a suitable cord to connect the alarm sending device to the alarm coupler. The customer shall also be responsible for providing a suitable housing, enclosure or location for the coupler equipment.
- (3) A telephone set must be installed in association with the alarm coupler equipment.

All material on this page expires in accordance with Special Condition 1.b.

(Continued)

(N)

APPENDIX A
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SUPPLEMENTAL EQUIPMENT

SPECIAL CONDITIONS

(N)

1.a.--Contd.

- (4) The alarm coupler is not to be used by the customer in association with equipment used for general public announcements, or equipment designed to perform switching functions normally performed by the company.
- (5) The liability of the company for mistakes, omissions, interruptions, delays, errors or defects in transmission or any other manner in the use, operation or maintenance of the alarm coupler equipment, shall be limited to those instances caused by the company's negligence, (1) in failing to provide, operate or maintain lines proper for the operation of such alarm coupler equipment or (2) in failing to properly install and maintain such alarm coupler equipment. The company shall in no way be responsible for or incur any liability arising from operation or maintenance of the customer-owned equipment.
- (6) The liability of the company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission or any other manner in the use, operation or maintenance of the alarm coupler equipment shall in no event exceed the amount equivalent to the proportionate charge to the customer for the period of service during which such mistake, omission, interruption, delay, error or defect in transmission of signals from, or operation of, the alarm coupler equipment occurred.

All material on this page expires in accordance with Special Condition 1.b.

(Continued)

(N)

APPENDIX A
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SUPPLEMENTAL EQUIPMENT

SPECIAL CONDITIONS

1.a.--Contd.

- (7) The customer shall indemnify and save the company harmless from any and all losses, claims, demands, causes of action, damages or other costs of every kind and nature, including claims for infringement of patents arising in any way from combining or connecting with, facilities of the company, apparatus or systems of the customer, or any third party, and also including all other claims arising out of any act or omission of the customer or any third party in connection with, or use of, the alarm coupler equipment or other facilities provided by the company.

b. Expiration

The Alarm Coupler equipment offering expires with
* _____, unless sooner canceled, changed,
or extended.

* Insert date two years from effective date of order.

All material on this page expires in accordance with
Special Condition 1.b.

(N)

(N)