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Decision 84 10 095

OCT 17 1984

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 THE PACIFIC TELEPHONE AND TELEGRAPH )  
 COMPANY, a corporation, for author- )  
 ity to increase certain intrastate )  
 rates and charges applicable to )  
 telephone services furnished within )  
 the State of California. )

Application 59849  
 (Filed August 1, 1980;  
 amended August 28, 1980  
 and October 14, 1980)

In the Matter of the Application of )  
 THE PACIFIC TELEPHONE AND TELEGRAPH )  
 COMPANY, a corporation, for author- )  
 ity to increase certain intrastate )  
 rates and charges applicable to )  
 telephone services furnished within )  
 the State of California. )

Application 59269  
 (Filed November 13, 1979;  
 amended November 15, 1979)

Re Advice Letter (PT&T) No. 13640 )  
 to reprice certain telephone )  
 terminal equipment and Resolution )  
 No. T-10292 granting approval of )  
 said changes. )

Application 59858  
 (Filed August 1, 1980)

In the Matter of Advice Letter )  
 Filing No. 13641 of THE PACIFIC )  
 TELEPHONE AND TELEGRAPH COMPANY )  
 for authority to increase certain )  
 rates for key telephone service by )  
 \$30.1 million. )

Application 59888  
 (Filed August 19, 1980)

Investigation on the Commission's )  
 own motion into the rates, tolls, )  
 rules, charges, operations, costs, )  
 separations, inter-company settle- )  
 ments, contracts, service, and )  
 facilities of THE PACIFIC TELEPHONE )  
 AND TELEGRAPH COMPANY, a California )  
 corporation; and of all the tele- )  
 phone corporations listed in )  
 Appendix A, attached hereto. )

OII 63  
 (Filed December 18, 1979)

Investigation on the Commission's  
 own motion into the rates, tolls,  
 rules, charges, operations, costs,  
 separations, inter-company settle-  
 ments, contracts, service, and  
 facilities of THE PACIFIC TELEPHONE  
 AND TELEGRAPH COMPANY, a California  
 corporation; and of all the tele-  
 phone corporations listed in  
 Appendix A, attached hereto.

OII 81  
 (Filed August 19, 1980)

Investigation on the Commission's  
 own motion into the Matter of  
 Revision of the Accounting for  
 Station Connections and related  
 Ratemaking Effects and the Economic  
 Consequences of Customer-owned  
 Premise Wiring.

OII 84  
 (Filed December 2, 1980)

Application of THE PACIFIC TELEPHONE  
 AND TELEGRAPH COMPANY for authority  
 to increase and reduce certain  
 intrastate rates and charges and  
 establish certain new rates applica-  
 ble to telephone services furnished  
 within the State of California.

Application 82-10-23  
 (Filed October 12, 1982)

(See Decisions 93367, 93728, and 82-08-017.)

ORDER MODIFYING DECISION 84-01-036  
AND GRANTING A LIMITED REHEARING

Petitions for rehearing of Decision 84-01-036 have been filed by Pacific Bell, General Telephone Company and Calaveras Telephone Company in conjunction with numerous other smaller independent telephone companies. Petitions for modification were also filed by CP National Corporation and Continental Telephone Company.

We have reviewed the allegations contained in the petitions and are of the opinion that a limited rehearing should

be granted, primarily for the purpose of receiving into the record updated cost evidence in the post divestiture environment relating to the rates to be charged for repair and maintenance of inside wiring. In addition, several issues have been raised as a result of decisions issued subsequent to the issuance of D.84-01-036, which we now wish to consider. First, in view of the Final Rules adopted by the Federal Communications Commission, April 26, 1984, reconsideration should be given at this limited rehearing to the question whether customers or alarm companies should be allowed to install an "RJ31X coupler" at the outside point of the utility connection to facilitate the use of inside wiring in conjunction with alarm devices. Second, the implementation of Pacific's dual element plan, effective July 1, 1984, has revitalized the question whether time-sensitive charges should be offered as an alternate to flat charges. Furthermore, in view of the passage of time, we are of the opinion that consideration should be given to the question whether standard network interface devices now being offered are suitable for outdoor mounting and functions such as remote testing. Finally, upon further review, it is our opinion that the scope of this limited rehearing should include an examination of the maintenance alternatives to be offered to customers who lease their equipment from respondent telephone utilities as well as a fuller examination of the question of whether complex wiring repair activities should be extended to customer-owned complex systems.

We are also of the opinion that the decision should be modified, as ordered below, to clarify several ambiguities and to reflect a technical change with respect to party-line subscribers.

Therefore, IT IS ORDERED that:

i. Rehearing of Decision 84-01-036 is granted limited to the following:

a) The receipt of updated cost evidence relating to the

rates to be charged for repair and maintenance of customer premises inside wiring;

- b) Reconsideration of the questions whether alarm companies or customers may connect RJ31X, RJ38X, and comparable jacks to the telephone utility's outside protector, whether time-sensitive charges should be offered as an alternative to flat charges, and whether new offerings with respect to SNI devices are suitable for outdoor mounting and functions such as remote testing,
- c) An examination of the maintenance alternatives to be offered to customers who lease their equipment from respondent telephone companies, and
- d) Fuller consideration of the question of whether complex wiring repair activities should be extended to customer-owned complex systems.

Said rehearing shall be held at such time and place and before such Commissioner or Administrative Law Judge as shall hereafter be determined.

2. Decision 84-01-036 is modified as follows:

- a) The following discussion is substituted for Part C beginning on page 13 of the decision:  
"Pacific initially took the position that the only subscribers with simple inside wiring who should not be able to elect one of the above options would be those with party-line and semi-public coin telephone services. Pacific's reasons were:

'At this time on party-line service there are some difficulties with a shared facility that we would prefer to keep under our control so that we don't have one customer inadvertently generating toll messages or calls on somebody else's bill. On semi-public (coin) service we consider that as a public utility service and we want to maintain the repair responsibility for the entire service. ...if the customers installed their own inside wire, as an example, there is no way that we could guarantee that it would be maintained properly or that potentially the machine was collecting money.'  
(TR Volume 123, page 13474.)

Pacific's considerations were valid and its proposed exceptions were reasonable when made. However, Pacific has requested a modification to allow party-line customers to participate in selecting inside wire maintenance options, due to Advice Letter No. 14662 effective since January 1, 1984 which now gives Pacific Telephone multi-party customers (residence and business, two-party and suburban service) the same rights and privileges relative to CPE and CPIW that currently apply for individual line simple service. The emergence of "ringer isolation" technology at the customer's premises allows this change. It is, therefore, concluded that it is no longer necessary or appropriate to preclude party-line customers from selecting inside wire maintenance options where ringer isolation technology is being applied."

b) Ordering Paragraph No. 1(d) is modified to delete the words "or party lines"

c) Finding of Fact No. 6 is modified to delete the words "or party line service,"

d) Finding of Fact No. 21, as follows, is added to the decision:

"21. It is reasonable to allow party-line subscribers to participate in selecting inside wire maintenance options where ringer isolation technology is being applied."

e) Finding of Fact No. 22, as follows, is added to the decision:

"22. The term 'station' shall be defined for purposes of this decision as 'a telephone or other terminal equipment connected to a utility telecommunications service at the customer premises which enables the customer to establish the communications connections and to effect communications through such connections'."

- f) The following sentence is added to Ordering Paragraph No. 6:

"The Standard Network Interface shall be installed inside the subscriber's premises, as close as possible to the outside drop-box and protector."

- g) The following discussion is inserted prior to the last sentence in the last full paragraph on page 22 of the decision:

"Should the customer elect not to have the work done, the entire time necessary to develop the estimate may be charged by the utility in 15-minute increments at the same rate as the time-and-materials charge for maintenance."

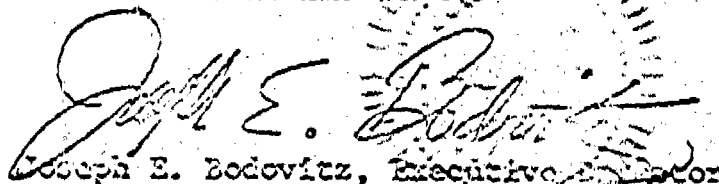
IT IS FURTHER ORDERED that except as granted and provided herein, rehearing of Decision 84-01-036 is denied.

This order is effective today.

Dated OCT 17 1984, at San Francisco, California.

VICTOR CALVO  
PRISCILLA C. GREW  
DONALD VIAL  
WILLIAM T. BAGLEY  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE MAJORITY  
COMMISSIONERS TODAY

  
Joseph E. Bodovitz, Executive Director