

Decision 88 02 036

FEB 24 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of General Telephone)
 Company of California, a California)
 corporation (U 1002 C), for authority)
 to increase and/or restructure)
 certain intrastate rates and charges)
 for telephone services.)

Application 87-01-002
 (Filed January 5, 1987)

Investigation on the Commission's own)
 motion into the rates, tolls, rules,)
 charges, operations, costs separa-)
 tions practices, contracts, service)
 and facilities of GENERAL TELEPHONE)
 COMPANY OF CALIFORNIA, a California)
 Corporation; and of all the telephone)
 corporations listed in Appendix A,)
 attached hereto.)

I.87-02-025
 (Filed February 11, 1987)

ORDER MODIFYING DECISION 87-12-070

On February 4, 1988, GTE California, Incorporated (GTEC), formerly known as General Telephone Company of California, filed a petition requesting modification of Decision (D.) 87-12-070 to:

1. Clarify that GTEC may collect the surcharges authorized therein on a "bill and keep basis";
2. Authorize GTEC to implement a third billing surcharge rate element in accordance with Ordering Paragraph 15a of D.87-12-067.

GTEC notes that prior to D.87-12-070, it collected its surcharges in its tariff Schedule Cal. P.U.C. No. A-38 on a bill and keep basis and that the surcharges developed in D.87-12-070 were developed assuming that the revenues would also be collected on a bill and keep basis. However, according to GTEC, D.87-12-070 inadvertently did not mention that this is this Commission's intent and requests that Ordering Paragraph 1 be modified to reflect the

surcharges on a bill and keep basis. On page 3 of D.87-12-070, we state that the surcharges are to be collected on a bill and keep basis. However, for further clarification of the order, we will appropriately modify Ordering Paragraph 1.

In D.87-12-067 in Pacific Bell's (Pacific) 1986 test year rate case, we authorized a program to shift nontraffic sensitive (NTS) costs from intraLATA toll services to exchange service based on a subscriber plant factor (SPF) to a subscriber line usage (SLU) transition plan similar to that authorized for access services. Such a program was made applicable to all local exchange carriers, including GTSC. Specifically Ordering Paragraph 15a of D.87-12-067 states:

"15a. Each exchange telephone company which is a party to this proceeding shall implement the transition in allocation of nontraffic sensitive (NTS) costs to intraLATA toll services prescribed in the foregoing Opinion, gradually converting from use of an allocator based on SPF to one based on SLU through seven annual steps beginning in January 1986 and continuing in January of each year thereafter until and including January 1992. Within 60 days of the effective date of this Order each exchange carrier offering intraLATA WATS [Wide Area Telephone Service] service shall make an Advice Letter filing under the terms of GO [General Order] 96-A to revise the appropriate tariffs to implement a flash cut conversion to direct assignment of closed end intraLATA WATS line costs and to implement an intraLATA billing surcharge on local exchange services, exclusive of intraLATA toll to offset the lost intraLATA toll settlement effects due to the SPF to SLU transition and the WATS phase-down. Thereafter each exchange telephone company shall make an Advice Letter filing under the terms of GO 96-A in coordination with each annual adjustment in its NTS cost allocator, in order to establish or revise its billing surcharge on intraLATA services, excluding intraLATA toll, using the newly effective NTS cost allocator."

The above-noted surcharge is applicable on intraLATA services, excluding intraLATA toll. D.87-12-070 includes two billing surcharges, one on GTEC's intraLATA services and one on GTEC's access services. In this petition, GTEC requests that D.87-12-070 be modified to: establish a third surcharge rate element consistent with Ordering Paragraph 15a quoted above; be permitted to develop the surcharge amount on a consistent basis with Pacific and other local exchange companies; and be permitted to file the new surcharge rate element in accordance with the schedule set forth above.

GTEC's petition for modification of D.87-12-070 appears reasonable and will be adopted.

Findings of Fact

1. D.87-12-070 provides for a billing surcharge on GTEC's intraLATA services and on GTEC's access services.
2. It was intended that the surcharges set forth in D.87-12-070 be collected on a bill and keep basis.
3. Ordering Paragraph 15a. of D.87-12-067 in Pacific's 1986 test year rate case is applicable to GTEC.
4. The above Ordering Paragraph 15a provides for the establishment of a third surcharge element to reflect the impact of the intraLATA SPF to SLU implementation plan and the intraLATA direct assignment of closed end WATS. Such a surcharge rate element is to be implemented in accordance with a specific schedule set forth in the ordering paragraph.

Conclusions of Law

1. D.87-12-070 should be modified as set forth in the ordering paragraphs.

2. This order should be effective today.

IT IS ORDERED that Ordering Paragraph 1 of D.87-12-070 is modified as follows:

- "1. Within five days of the effective date of this order General Telephone Company of California (General) shall file revised

Schedule Cal. P.U.C. No. A-38 to reflect the revisions shown in Appendix A of this decision and revised tariff sheets to reflect its 1988 interLATA SPF to SLU transition. The effective date of these ordered revisions shall be January 1, 1988. Concurrent with the requirements of Ordering Paragraph 15a of Decision (D.) 87-12-067 in Pacific Bell's 1986 test year rate case, General shall establish a third surcharge element to reflect the impact of the intraLATA SPF to SLU implementation plan and the intraLATA direct assignment of closed end WATS. The portion of the overall billing surcharge/surcredit adjustment applicable to intraLATA SPF to SLU shall not be applied to intraLATA toll, including intraLATA toll private line. This third surcharge element is to be implemented in accordance with Ordering Paragraph 15a compliance filing of D.87-12-067. General shall collect all surcharge revenues authorized by this decision on a bill and keep basis."

This order is effective today.

Dated February 24, 1988, at San Francisco, California.

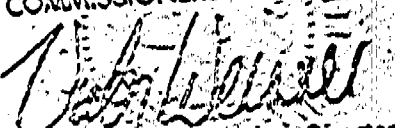
STANLEY W. HULETT
President

DONALD VIAL
JOHN B. OHANIAN
Commissioners

Commissioner Frederick R. Duda,
being necessarily absent, did
not participate.

Commissioner G. Mitchell Wilk,
being necessarily absent, did
not participate.

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


Victor Weitzer, Executive Director

surcharges on a bill and keep basis. On page 3 of D.87-12-070, we state that the surcharges are to be collected on a bill and keep basis. However, for further clarification of the order, we will appropriately modify Ordering Paragraph 1.

In D.87-12-067 in Pacific Bell's (Pacific) 1986 test year rate case, we authorized a program to shift nontraffic sensitive (NTS) costs from intraLATA toll services to exchange service based on a subscriber plant factor (SPF) to a subscriber line usage (SLU) transition plan similar to that authorized for access services. Such a program was made applicable to all local exchange carriers, including GTEC. Specifically Ordering Paragraph 15a of D.87-17-067 states:

"15a. Each exchange telephone company which is a party to this proceeding shall implement the transition in allocation of nontraffic sensitive (NTS) costs to intraLATA toll services prescribed in the foregoing Opinion, gradually converting from use of an allocator based on SPF to one based on SLU through seven annual steps beginning in January 1986 and continuing in January of each year thereafter until and including January 1992. Within 60 days of the effective date of this Order each exchange carrier offering intraLATA WATS [Wide Area Telephone Service] service shall make an Advice Letter filing under the terms of GO [General Order] 96-A to revise the appropriate tariffs to implement a flash cut conversion to direct assignment of closed end intraLATA WATS line costs and to implement an intraLATA billing surcharge on local exchange services, exclusive of intraLATA toll to offset the lost intraLATA toll settlement effects due to the SPF to SLU transition and the WATS phase-down. Thereafter each exchange telephone company shall make an Advice Letter filing under the terms of GO 96-A in coordination with each annual adjustment in its NTS cost allocator, in order to establish or revise its billing surcharge on intraLATA services, excluding intraLATA toll, using the newly effective NTS cost allocator."

The above-noted surcharge is applicable on intraLATA services, excluding intraLATA toll. D.87-12-070 includes two billing surcharges, one on GTEC's exchange services and one on GTEC's access services. In this petition, GTEC requests that D.87-12-070 be modified to: establish a third surcharge rate element consistent with Ordering Paragraph 15a quoted above; be permitted to develop the surcharge amount on a consistent basis with Pacific and other local exchange companies; and be permitted to file the new surcharge rate element in accordance with the schedule set forth above.

GTEC's petition for modification of D.87-12-070 appears reasonable and will be adopted.

Findings of Fact

1. D.87-12-070 provides for a billing surcharge on GTEC's exchange services and on GTEC's access services.
2. It was intended that the surcharges set forth in D.87-12-070 be collected on a bill and keep basis.
3. Ordering Paragraph 15a of D.87-12-067 in Pacific's 1986 test year rate case is applicable to GTEC.
4. The above Ordering Paragraph 15a provides for the establishment of a third surcharge element to reflect the impact of the intraLATA SPF to SLU implementation plan and the intraLATA direct assignment of closed end WATS. Such a surcharge rate element is to be implemented in accordance with a specific schedule set forth in the ordering paragraph.

Conclusions of Law

1. D.87-12-070 should be modified as set forth in the ordering paragraphs.
2. This order should be effective today.

IT IS ORDERED that Ordering Paragraph 1 of D.87-12-070 is modified as follows:

- "1. Within five days of the effective date of this order General Telephone Company of California (General) shall file revised

Schedule Cal. P.U.C. No. A-38 to reflect the revisions shown in Appendix A of this decision and revised tariff sheets to reflect its 1988 interLATA SPF to SLU transition. The effective date of these ordered revisions shall be January 1, 1988. Concurrent with the requirements of Ordering Paragraph 15a of Decision (D.) 87-12-067 in Pacific Bell's 1986 test year rate case, General shall establish a third surcharge element to reflect the impact of the intraLATA SPF to SLU implementation plan and the intraLATA direct assignment of closed end WATS. The portion of the overall billing surcharge/surcredit adjustment applicable to intraLATA SPF to SLU shall not be applied to intraLATA toll inclusive of intraLATA toll private line. This third surcharge element is to be implemented in accordance with the schedule set forth in Ordering Paragraph 15a of D.87-12-067. General shall collect all surcharge revenues authorized by this decision on a bill and keep basis."

This order is effective today.

Dated FEB 24 1988, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
JOHN B. OHANIAN
Commissioners

Commissioner Frederick R. Duda,
being necessarily absent, did
not participate.

Commissioner G. Mitchell Wilk,
being necessarily absent, did
not participate.