

ALJ/GAA/cac

Decision 89 06 050 JUN 21 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

| | |
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| Application of AT&T Communications) | |
| of California, Inc. (U 5002 C) under) | |
| Rule 18 for a Certificate of Public) | Application 88-07-020 |
| Convenience and Necessity for) | (Filed July 15, 1988) |
| Authority to Provide Intrastate) | |
| InterLATA AT&T MEGACOM® and AT&T) | |
| MEGACOM 800 Service.) | |

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|--|-------------------------|
| Application of AT&T Communications) | |
| of California, Inc. (U 5002 C) under) | |
| Rule 18 for a certificate of Public) | Application 88-08-051 |
| Convenience and Necessity for) | (Filed August 24, 1988) |
| Authority to Provide AT&T PRO) | |
| California.) | |

| | |
|--------------------------------------|------------------------|
| Application of AT&T Communications) | |
| of California, Inc. (U 5002 C) for) | |
| Authority to Provide Intrastate) | Application 89-03-046 |
| AT&T 800 READYLINE Service.) | (Filed March 29, 1989) |

(Appearances are listed in Appendix A.)

INTERIM OPINION
 AUTHORIZING CONDITIONAL OPERATING AUTHORITY
 FOR AT&T-C'S PRO WATS CALIFORNIA SERVICE AND
CONSOLIDATING A.88-07-020, A.88-08-051, AND A.89-03-046

Background

AT&T-Communications of California, Inc. (AT&T-C) has filed an application requesting that the Commission issue a certificate of public convenience and necessity (CPCN) for authority to provide intrastate interLATA AT&T¹ PRO California

1 AT&T is the parent of AT&T-C.

service.² AT&T-C states that its comparable interstate PRO America I, II, and III services have been available since mid-1986 under Federal Communications Commission (FCC) authority.

Copies of the application were served on potential competitors and interested parties, and notice of the application appeared in the Commission's Daily Calendar of August 26, 1988. Protests were subsequently received from the Commission's Division of Ratepayer Advocates (DRA) and U.S. Sprint Communications Company Limited Partnership (US Sprint) on September 23 and 26, 1988, respectively.

On October 18, 1988 a prehearing conference (PHC) was held, during which AT&T-C proposed that the costing methodology established in this proceeding would also provide a standard for use in evaluating advice letter filings for new AT&T-C services. Interested parties disagreed that costs developed for PRO WATS California (PRO) service, which is basically a discounted existing service, would have a broad application for all new services.

A second PHC was scheduled for January 10, 1989. That date was selected with the expectation of a decision in late December 1988 in Application (A.) 87-10-039 (AT&T-C's flexible regulation docket). It was anticipated that a decision in A.87-10-039 would yield some insight on the handling of a new costing methodology for AT&T-C. Meanwhile, AT&T-C had committed at the October 18, 1988 PHC to submit its data and exhibits for this PRO application on December 20, 1988 and its prepared testimony on January 10, 1989, the same date as the second scheduled PHC.

Between October 18 and December 20, 1988 AT&T-C decided that it would use a new and more detailed "Long Run Incremental Analysis" to support the costs for its public switched services. This new analysis required the development and use of a computer

2 Recently renamed PRO WATS California service.

model known as Transport Incremental Cost Model (TICM). On December 19, 1988, AT&T-C filed a motion requesting a 90-day extension of time from the December 20, 1988 date for submitting its data and exhibits and from the January 10, 1989 date for filing its prepared testimony.

AT&T-C's request for the 90-day extension of time was granted by a ruling from the assigned administrative law judge (ALJ) dated December 29, 1988. In addition, on December 19, 1988 we issued Decision (D.) 88-12-091 in the flexible regulation docket which specifically directed AT&T-C not to use PRO as a test case for determining costing methods for new services as AT&T-C had intended.

On March 20, 1989 AT&T-C submitted its exhibits and workpapers in support of the cost of providing PRO service. Thereafter, in the first week of April 1989, AT&T-C conducted several seminars to discuss and explain the TICM method and its components for costing AT&T-C services. DRA, MCI Communications, Inc. (MCI), Pacific Bell, and US Sprint representatives attended certain of the seminars.

AT&T-C also discussed with the parties its interest in consolidating the investigation of PRO with AT&T-C's A.89-03-046 for authority to provide 800 READYLINE (READYLINE) service. On April 11, 1989, AT&T-C filed a motion to consolidate its PRO with its MEGACOM³ and READYLINE applications into a single proceeding.

³ By D.88-11-053 dated November 23, 1988 in A.88-07-020 we granted interim rate authority to AT&T-C for MEGACOM and MEGACOM 800 services which are used by large business customers for outward and inward calling, respectively. Those interim rates were to be reexamined with the rates for PRO service, and since D.88-12-091 directed that AT&T-C not use PRO as the test case for new services, AT&T-C has proposed, pursuant to D.88-12-091, that its A.89-03-046 READYLINE application also be used to review the final rates for its MEGACOM and MEGACOM 800 services.

On April 11, 1989, a second PHC was held in this proceeding. At that PHC AT&T-C asked that it be permitted to enter its testimony for PRO in the consolidated proceeding, on the assumption that the request for consolidation is granted. The motion for consolidation was also discussed and none of the parties attending the PHC objected to the motion.

The ALJ determined, during the PHC, that an appropriate response and reply period should be allowed for the motion and set a new PHC for May 22, 1989 in the event that the motion was denied.

On April 25, 1989 AT&T-C filed a motion for immediate interim authority to provide PRO service.

On April 26, 1989, DRA filed its response to AT&T-C's April 11, 1989 motion to consolidate proceedings stating that it generally supported the consolidation, especially since many of the parties to these proceedings are the same. However, DRA stressed that such consolidation would and should still allow for individual consideration and evaluation of each application and service offering on its own merits.

Subsequently, on May 10, 1989, DRA replied to AT&T-C's motion for immediate interim authority, stating that it does not oppose the granting of interim authority to AT&T-C as long as certain concerns are addressed in granting that authority. DRA stated that it had advised AT&T-C of its concerns and then observed that:

"PRO would provide a beneficial service for some ratepayers, specifically, a discount for medium to large MTS users.

"PRO would not be offered to the detriment of other ratepayers.

"PRO would add another element of competition to the market which is desirable in light of the recent flexibility decision (D.88-12-091).

"PRO is not a 'new service' as defined by D.88-12-091, but a cost standard developed

for new services which could possibly be applicable to new tariff offerings as well.

"There is no evidence yet that would indicate impending anti-competitive pricing as defined in D.88-12-091 and D.87-07-017. DRA believes that on an average call basis, PRO rates are above access costs and fall within the rate bands for MTS approved by the Commission in D.88-12-091. Evidence as to the relationship between rates and costs should be required before permanent authority is granted.

"Ordinarily, an application of this type would require a detailed examination of costs prior to granting a Certificate of Public Convenience and Necessity (CPCN). However, since cost standards are to be developed in connection with Readyline, or perhaps generically, DRA believes that it is appropriate to wait until such standards are established before analyzing PRO's costs and pricing. Since this process may take considerable time and since AT&T's competitors already offer like services, DRA does not oppose AT&T's motion to offer PRO on an interim basis.

"The conditions enumerated by AT&T in their filing at p. 7, accurately reflect DRA's stated concerns. However, as a result of AT&T's Motion to Consolidate Proceedings (April 11, 1989), it may no longer be necessary to tie MEGACOM/MEGACOM 800 to PRO as far as the costing methodology is concerned. If the Motion to Consolidate is granted, DRA believes it would be more appropriate to look at the three services (PRO, MEGACOM/MEGACOM 800, and Readyline) to determine the proper costing and pricing methodologies developed for each service.

"Finally, PRO should not on average be priced out of the applicable rate bands established for MTS in D.88-12-091. Since PRO is a volume discounted MTS service, its price for an average call should remain within the rate bands established for MTS, which are tied to the effective reference rates, at all times while offered under interim authority. New

tariff offerings such as PRO, should not be a means of circumventing the rate bounds for existing services determined by the Commission in D.88-12-091." (DRA May 10, 1989 Reply, pp. 1-2.)

A third PHC was held on May 22, 1989 to determine if there were any remaining issues which would preclude granting interim authority to AT&T-C to provide PRO and/or consolidation of this matter with AT&T-C's READYLINE application.

At the PHC, counsel for AT&T-C summarized the positions of AT&T-C and the interested parties, regarding the motion for interim authority, as follows:

"In that motion we had attempted to address all the concerns that we were aware of raised by the staff and other parties. Specifically we included four items raised by the [DRA] staff which were:

"One, that the appropriate costing standards eventually adopted by the Commission, following a complete evaluation by the staff, would be applied to both PRO and MEGACOM/MEGACOM 800.

"Two, that during the interim, AT&T would track PRO-related revenues and usage in such detail as to allow for eventual true-up of service pricing relative to cost; [sic] if such is determined to be appropriate.

"Three, that AT&T continue its full cooperation with DRA's discovery efforts.

"Four, that this treatment of PRO not be considered as precedent for the treatment of other future filings by AT&T.

"We also included a request that MCI -- that the addition of the condition for the grant of interim authority be continued cooperation in the discovery process. And we stated in that motion that we agreed to all those conditions.

"We also subsequently were informed by DRA that they sought the condition that PRO is priced such that on an average-call basis the price

will not fall outside the applicable rate bands established for MTS in Decision 88-12-091.

"AT&T agrees to all those conditions for the grant of PRO interim authority.

"We would ask that since no party has filed a protest opposing the grant, under those conditions, that the Commission grant our interim authority for PRO and, furthermore, that the Commission grant us authority effective on the date that it approves the order and allow us to file tariffs on five days' notice immediately after that grant.

"We would also like to add that we will file tariffs identical to those attached to the original application except that we will remove the resell [sic] restrictions that are in that original filing.

"This is required by a subsequent order of the Commission that we have no resale restrictions on our services.

"As requested, we will provide revised tariff sheets immediately to you and other parties for your inclusion in a draft order, and immediately means within the next two days." (PHC Transcript, pp. 43-45.)

Counsel for DRA responded that since AT&T-C had agreed to all the conditions expressed in DRA's May 10, 1989 reply to AT&T-C's motion, DRA would not oppose the granting of the motion, "so long as those conditions are part of the order."

No other concerns were raised by any other party present at the third PHC.

Description of Applicant

Applicant (AT&T-C) is a telecommunications subsidiary of the American Telephone and Telegraph Company, operating within the State of California and providing interLATA and interstate telecommunications services. AT&T-C's principal offices are located at 795 Folsom Street, San Francisco, California 94107.

In support of this application AT&T-C provided evidence of its authority to do business in California including a reference to the certified copy of its Articles of Incorporation on file with this Commission in A.85-11-029. AT&T-C also appended to the application its most recent financial statements, including its Balance Sheet and Income Statement for the month of December 1987. The data supplied with and referenced in the application confirms that AT&T-C has the financial resources, broad communications knowledge, and technical expertise to effectively undertake this new communications business activity in California. As to its current interLATA communications services offered within California, there is no evidence of any significant service deficiencies or complaints.

Description of Proposed Service

AT&T-C PRO is an optional calling plan which is intended principally to meet the needs of small business customers who use \$150 or more per month of intrastate interLATA AT&T-C Long Distance Calls. This plan provides customers a 10% discount on charges for all AT&T-C direct dialed message toll calls, in addition to any applicable time-of-day, day-of-week, or holiday discount. It is designed to complement the AT&T Pro America I, II, and III optional calling plans that have been available to California customers for interstate use since mid-1986. Thirty-seven other states currently permit other AT&T subsidiaries to offer complementary intrastate optional calling plans similar to AT&T-C PRO service.⁴

⁴ In D.86-11-079 dated November 14, 1986, we restricted the availability of a similar AT&T-C offering, Reach Out California business service, and set a later date for withdrawal of that service. We opined that within the rate design then being developed, there were potential cross subsidies from this service offering. PRO service has different (lower) discounts to

(Footnote continues on next page)

To obtain this service, AT&T-C customers will be required to pay a nonrecurring initiation charge of \$10 and a monthly subscription fee of \$15. Therefore, this optional PRO service is not advantageous to customers who use less than \$150/month of AT&T-C message toll service. Under the PRO service customers will place all of their calls over local exchange telephone lines, and will receive a detailed bill to assist them in analyzing their calling patterns and to help them control their long distance use.

AT&T-C estimates that, upon approval of PRO, 4,000 customers will subscribe to this service in the first year and that 43,000 customers will be using the plan by the end of the fifth year that the service is offered. These estimates by AT&T-C are based on the number of its California customers who are subscribing to AT&T's PRO America service and an analysis of the volume of intrastate message toll usage of those customers.

AT&T-C asserts that similar MTS discount plans are already being offered by its competitors in California including MCI, US Sprint, Western Union Telegraph Company, ITT United States Transmission Systems, Inc., Allnet Communications Services, and Teleconnect Company, Inc. These carriers have been marketing their respective discount service offerings since 1987. AT&T-C argues that unless it is permitted to offer PRO service its customers will continue to migrate to other available competitive discount plans.

AT&T-C contends that the grant of immediate interim authority will not interfere with the Commission's comprehensive examination of other relevant issues. Specifically, granting

(Footnote continued from previous page)

customers, and the parties have agreed that the currently proposed rates and charges are above the minimum rate band established in D.88-12-091, which established pricing flexibility for AT&T-C.

interim relief does not presume any particular costing method and will allow adjustments to final rates. Finally, AT&T-C has agreed to the specific interim conditions proposed by the parties.

Correspondence Received

After the May 22, 1989 PHC, AT&T-C sent a letter to the ALJ dated May 24, 1989 with a copy of its revised draft tariff sheets for the offering of PRO service. These revised tariff sheets are identical to those attached to the original application (A.88-08-051) except that the resale restrictions were removed as required by D.88-12-091, and the name of the proposed offering was changed to AT&T PRO WATS California for consistency with AT&T's similar interstate effective offering.

Discussion

AT&T-C's proposed service constitutes a logical extension of its current interstate offering of AT&T PRO WATS services to its California intrastate interLATA customers and is not intended for intraLATA use, and since AT&T-C has agreed to the six conditions requested by DRA and MCI as pre-conditions for interim approval, there is no need for a hearing on this application. We will authorize the CPCN for interim authority as requested, on an ex parte basis.

AT&T-C has also requested consolidation of three applications, namely, MEGACOM and MEGACOM 800 (A.88-07-020), PRO (A.88-08-051), and READYLINE (A.89-03-046) because:

1. It intends to apply its same TICM long-run incremental cost analysis model to develop the proposed permanent rates for these three services;
2. No party opposes the consolidation; and,
3. The parties and the Commission would be advantaged by having similar rate issues addressed in one forum.

To the extent that these applications raise the issue of propriety of using a long-range incremental cost analysis, they

raise related issues of fact and should be consolidated pursuant to Rule 55 of the Commission's Rules of Practice and Procedure. A PHC will be set in these consolidated matters in the near future to discuss scheduling and presentation of testimony on all remaining issues raised in these three proceedings, with the exception of interim authority for READYLINE which will be addressed in a separate order. Accordingly, the rates and charges established here will clearly be interim in nature and will be subject to change or withdrawal after further review and consideration in A.89-03-016.

Since AT&T-C represents that it has interested customers waiting for this service, in the interests of expediting this service offering, we will make this order effective today.

Findings of Fact

1. AT&T-C requests a CPCN to provide PRO services on an interLATA basis in California, as a complement to its current interstate offering of similar services under Federal Communications Commission approved tariffs.
2. AT&T-C agrees to not market or hold itself out to provide this service on an intraLATA basis.
3. AT&T-C has agreed to six specific conditions as set forth in the narrative of this order, to reach a consensus with interested parties who had protested the application, that authority to render this service may be granted on an interim basis.
4. AT&T-C currently has sufficient access lines and equipment necessary to provide this service.
5. AT&T-C has the technical ability to provide the proposed service on a safe, effective, reliable, and continuous basis.
6. AT&T-C has the financial ability to effectively implement the proposed service without any significant impact on its other telephone utility operations.

7. It can be seen with reasonable certainty that granting this application will not have a significant adverse impact on the environment.

8. AT&T-C has agreed to proceed with interim rate authority for this service with the full understanding that such interim rates are subject to change or withdrawal subsequent to further review and consideration in its READYLINE A.89-03-046 with which it asks that this matter be consolidated.

9. AT&T-C has provided a current draft of its proposed tariff sheets which contain the interim rates and charges and necessary special conditions for its intrastate interLATA PRO service as set forth in Appendix B to this order.

10. AT&T has customers now served on an interstate basis who desire PRO service on an intrastate basis as well.

11. AT&T-C urges that this order be granted without delay, so that it may be permitted to render this service to customers as soon as possible.

12. AT&T-C PRO service is voice telephone service and as such is subject to the 4% Universal Lifeline Telephone Surcharge on all revenues produced by these services under D.87-10-088 issued October 28, 1987.

13. Revenues obtained from AT&T-C's PRO service are also subject to the one-half percent (1/2%) surcharge to fund Telecommunications Devices for the Deaf as prescribed by Resolution No. T-13005 issued July 22, 1988, in accordance with Public Utilities (PU) Code § 2881, with the remittance to be made to the Disabled Equipment Acquisition Fund (DEAF) Trust. This surcharge will drop to 0.3% effective on July 1, 1989 pursuant to Resolution No. T-13061 issued April 12, 1989.

14. Public convenience and necessity require the granting of this application.

Conclusions of Law

1. AT&T-C should not be authorized to market its PRO service for use on an intraLATA basis.

2. AT&T-C should be required to file interim rates substantially as set forth in its application and as contained in Appendix B to this order.

3. AT&T-C should also be required to honor the six specific conditions it agreed to with interested parties at the May 22, 1989 PHC, as a precondition for authorization of California intrastate interLATA PRO WATS service on an interim basis.

4. AT&T-C's request for consolidation of this application with its A.88-07-020 (MEGACOM and MEGACOM 800) and A.89-03-046 (READYLINE) to address related rate issues prior to the authorization of permanent rates for PRO is consistent with Rule 55 of the Commission's Rules of Practice and Procedure, is no longer the subject of protests, and therefore should be granted.

5. Because of the public interest in effective competition in California intrastate interLATA service similar to PRO, and because AT&T's interstate customers have expressed an interest in purchasing this service from AT&T-C as soon as possible, this order should be made effective today.

7. This application should be granted on an interim basis to the extent set forth in the following order.

INTERIM ORDER

IT IS ORDERED that:

1. AT&T Communications of California (AT&T-C) is granted a certificate of public convenience and necessity, pursuant to PU Code § 1005, to provide intrastate interLATA PRO WATS California (PRO) service on an interim basis within the State of California subject to the following conditions:

- a. The appropriate costing standards eventually adopted by the Commission,

following a complete evaluation by the staff, shall apply to PRO service.

- b. During the interim, AT&T-C shall track PRO-related revenues and usage in such detail as to allow for eventual true-up of service pricing relative to cost, if such is determined to be appropriate.
- c. AT&T-C shall fully cooperate with DRA's discovery efforts.
- d. This treatment of PRO shall not be considered as setting any precedent for the treatment of other future filings by AT&T-C.
- e. PRO shall be priced such that on an average-call basis the price will not fall outside the applicable rate bands established for message toll telephone service in D.88-12-091. (Until final rates are adopted for PRO, AT&T shall, in any advice letter filing modifying MTS rates, state that even with the discount afforded PRO customers, PRO service continues to meet this criteria.)
- f. AT&T-C shall fully cooperate with MCI's discovery efforts.

2. AT&T-C is authorized to file an advice letter after the effective date of this order and in compliance with General Order 96A, containing the rates, charges, and special conditions and/or rules for the offering of PRO service substantially in accordance with Appendix B to this order. Such advice letter filing shall also include statements that such rates and charges will be surcharged by one-half of one percent (1/2%) [three-tenths of one percent (0.3%) after July 1, 1989] to cover the funding of the Disabled Equipment Acquisition Fund (DEAF) Trust for service rendered, pursuant to this Commission's Resolutions T-13005 and T-13061, and PU Code § 2881, and will also be subject to the four

percent (4%) Universal Lifeline Telephone Surcharge as set forth in D.87-10-088 issued October 28, 1987.

3. AT&T-C shall also include a statement and/or special condition in its tariff filing, made pursuant to Ordering Paragraph 2 above, that the rates and charges set forth are interim rates which may be modified, and/or terminated by further order of this Commission following submission of the formal record in AT&T-C's A.89-03-046 for authority to provide 800 READYLINE service.

4. The tariff schedules filed pursuant to Ordering Paragraphs 2 and 3 above, shall become effective 5 days after the date of filing.

5. Within 30 days after this order is effective, AT&T-C shall file a written acceptance of the certificate granted in this proceeding; absent such filing, the authority granted by this certificate shall be automatically revoked.

6. AT&T-C shall notify the Commission Advisory and Compliance Division (CACD) Director within 5 days after the offering of PRO service begins.

7. This proceeding is consolidated with AT&T-C's A.88-07-020 for authority to offer MEGACOM and MEGACOM 800 service, and A.89-03-046 for authority to offer 800 READYLINE service, so that a determination of reasonable and proper permanent rates for its PRO service can be made on a consolidated record using, among other analyses, AT&T-C's TICM long-run incremental cost analysis model.

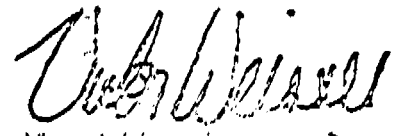
8. AT&T-C's PRO WATS California utility service is subject to the user fee as a percentage of gross intrastate revenue under PU Code § 431 through 435.

This order is effective today.

Dated JUN 21 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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



Victor Weissar, Executive Director

ps

APPENDIX A

List of Appearances

Applicant: Richard A. Bromley and Michael P. Hurst, Attorneys at Law, for AT&T Communications of California, Inc.

Protestants and Interested Parties: Marline D. Ard, Attorney at Law, for Pacific Bell, and Messrs. Armour, St. John, Wilcox, Goodin & Schlotz, by Thomas J. MacBride, Jr., Attorney at Law, for California Association of Long Distance Telephone Companies.

Interested Parties: Mark Barmore, Attorney at Law, for Toward Utility Rate Normalization; Messrs. Davis, Young & Mendelson, by Jeffrey E. Beck, Attorney at Law, for CP National, Citizens Utilities Company of California, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Company, Pinnacles Telephone Company, Sierra Telephone Company, The Siskiyou Telephone Company, Tuolumne Telephone Company, The Volcano Telephone Company, and Winterhaven Telephone Company; Peter A. Casciato, Attorney at Law, for Cable & Wireless Communications, Inc.; John H. Engel, Attorney at Law, for Citizens Utilities Companies of California; James L. Lewis and Alan M. Weiss, Attorneys at Law, for MCI Telecommunications Corporation; Jerry O'Brien and Diane Martinez, for API Alarm Systems; Kenneth K. Okel and Kathleen S. Blunt, Attorneys at Law, for GTE California, Incorporated; Messrs. Pelavin & Norberg, by Alvin H. Pelavin, Attorney at Law, and Messrs. Cooper, White & Cooper, by E. Garth Black and Mark P. Schreiber, Attorneys at Law, for Calaveras Telephone Company, California-Oregon Telephone Company, Ducor Telephone Company, Foresthill Telephone Company, and The Ponderosa Telephone Company; Messrs. Cooper, White & Cooper, by Mark P. Schreiber and E. Garth Black, Attorneys at Law, for Roseville Telephone Company; Earl N. Selby, Attorney at Law, for Bay Area Teleport; Shelley I. Smith, Assistant City Attorney, for City of Los Angeles; John Witt, City Attorney, by William S. Shaffran and Leslie Girard, Deputy City Attorneys, for the City of San Diego; and Phyllis A. Whitten and Craig D. Dingwall, Attorneys at Law, for US Sprint Communications Company, a Limited Partnership.

Division of Ratepayer Advocates: Cindi Rosse, Attorney at Law, and Tom Doub.

(END OF APPENDIX A)

AT&T Communications Of California, Inc.
San Francisco, California

SCHEDULE CAL.P.U.C. NO. A.
15th Revised Check Sheet A
Cancels 14th Revised Check Sheet A

Network Services Tariff

LIST OF EFFECTIVE SHEETS

DRAFT

Sheets listed below are effective as of the date shown on each sheet. 5/24/89

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| 5th | ToC B |
| 2nd | ToC C |
| 11th' | ToC D |

NOTE 1: Sheets issued.

Advice Letter No.

Decision No.

Issued by

Kenneth R. Parker
Regional Director

Date Filed:

Effective:

Resolution No.

AT&T Communications Of California, Inc. SCHEDULE CAL.P.U.C. NO. A.
San Francisco, California 11th Revised Table of Contents Sheet D
Cancels 10th Revised Table of Contents Sheet D

Network Services Tariff

DRAFT

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| <p>SM Service Mark of AT&T (N) NOTE 1: In compliance with Decision No. 86-11-079 dated November 14, 1986, Reach Out California and the California Business Plan are withdrawn, effective May 14, 1987.</p> | | |

Advice Letter No.

Issued by

Date Filed:

Decision No.

Kenneth R. Parker
Regional Director

Effective:

Resolution No.

AT&T Communications Of California, Inc.
San Francisco, California

SCHEDULE CALP.U.C. NO. A6.
20th Revised Check Sheet A
Cancels 19th Revised Check Sheet A

Network Services Tariff

DRAFT

A6. MESSAGE TELECOMMUNICATION SERVICE

5/24/89

LIST OF EFFECTIVE SHEETS

Sheets listed below are effective as of the date shown on each sheet.

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| 7th | 17 |
| Original | 17.1 |
| 4th | 18 |
| 6th | 19 |
| Original' | 20 |
| Original' | 21 |
| Original' | 22 |

NOTE 1: Sheets issued.

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San Francisco, California

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A6. MESSAGE TELECOMMUNICATION SERVICE

5/24/89

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| C. RATES AND CHARGES | 22 | (N) |

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A6. MESSAGE TELECOMMUNICATION SERVICE

5/24/89

6.3 OPTIONAL CALLING PLANS (Cont'd)

6.3.3 AT&T PRO WATS CALIFORNIA

(N)

A. DESCRIPTION

AT&T PRO WATS California is furnished for direct-dialed telephone calls between any two points within California that are located in different Local Access and Transport Areas (LATAs). Under this option, customers pay a fixed monthly amount to obtain a discount during all rate periods.

B. REGULATIONS

1. Applicability

a. AT&T PRO WATS California applies to:

- (1) all lines associated with the same billing number.²
- (2) intrastate interLATA calls only
- (3) total charges on calls placed on a direct-dialed basis or through the California Relay Service, not individual messages.

b. AT&T PRO WATS California does not apply to:

- (1) Operator Assisted calls
- (2) Directory Assistance calls
- (3) Automated Calling Card calls

2. Application of Discount

- a. Customers who subscribe to AT&T PRO WATS California receive a discount on the total charges for direct-dialed intrastate interLATA calls as specified in 1. preceding.
- b. Where direct-dialed calls are made during the Evening or Night/Weekend rate periods, the additional PRO WATS California discount is applied after the applicable time-of-day discounts.

NOTE 1: For rate periods see Schedule Cal.P.U.C. No. A6.2.1.E.1.c.
NOTE 2: For definition see Schedule Cal.P.U.C. No. A2.2.1.

(N)

Continued

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A6. MESSAGE TELECOMMUNICATION SERVICE

5/24/89

6.3 OPTIONAL CALLING PLANS (Cont'd)

6.3.3 AT&T PRO WATS CALIFORNIA (Cont'd)

(N)

B. REGULATIONS (Cont'd)

3. Limitations

Only one intrastate interLATA Optional Calling Plan discount may be applied to calls on a single billing number.

4. Minimum Service Period

- a. The minimum service period for AT&T PRO WATS California is one month. When the plan is retained for less than the minimum service period a full month of service will be billed.
- b. For service cancelled during a month, except during the initial minimum billing period, the monthly Subscription Fee and usage charges are prorated and a bill rendered for the actual days the plan was in service.

5. Provision of Service

- a. AT&T PRO WATS California is provided where the necessary billing capability is available.
- b. AT&T PRO WATS California is not applicable to summary billing.

6. Service Initiation Charge

To initiate AT&T PRO WATS California, a Service Initiation charge as shown in C.1. following is applicable.

7. Subscription Fee

- a. A fixed monthly fee, charged one month in advance, entitles the customer to an additional discount percentage.
- b. Customers who participate in this plan will be charged only one subscription charge per billing number.

NOTE 1: See B.1.a.(1) preceding.

Continued

(N)

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A6. MESSAGE TELECOMMUNICATION SERVICE

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6.3 OPTIONAL CALLING PLANS (Cont'd)

6.3.3 AT&T PRO WATS CALIFORNIA (Cont'd)

(N)

C. RATES AND CHARGES

1. Nonrecurring Charges

a. Service Initiation Charge

| | |
|----------------------|---------------------------|
| | <u>Charge²</u> |
| - Per billing number | \$10.00 |

2. Recurring Rates

a. Monthly Subscription Fee

| | | |
|----------------------|---------------------------------|-------------|
| | <u>Monthly Rate²</u> | <u>USOC</u> |
| - Per billing number | \$15.00 | TS1LV |

b. Discount¹

| | | | |
|-------------------------------------|--------------------|-----------------------------|-----|
| | <u>Application</u> | <u>Discount²</u> | |
| - To total amount of eligible calls | | 10% | (N) |

NOTE 1: See B.2. preceding.

(N)

NOTE 2: Identical rates are set forth in Price List Schedule Cal.
P.U.C. No. A6. Original Sheet 3.1 for Administrative use.

(N)

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SCHEDULE CALP.U.C. NO. A
PRICE LIST
1st Revised Check Sheet A
Cancels Original Check Sheet A

Network Services Tariff

GENERAL LIST OF EFFECTIVE SHEETS

DRAFT

5/24/89

Sheets listed below are effective as of the date shown on each sheet.

| <u>Revision Number</u> | <u>Sheet</u> |
|------------------------|--------------|
| 1st' | CS A |
| Original | ToC A |
| Original | 1 |
| Original | 2 |
| Original | 3 |
| Original' | 3.1 |
| Original | 4 |

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SCHEDULE CAL.P.U.C. NO. A6.
PRICE LIST
Original Sheet 3.1

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A6. MESSAGE TELECOMMUNICATION SERVICE

DRAFT
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Schedule
Location

6.3.3.C

AT&T PRO WATS CALIFORNIA

(N)

Nonrecurring or
Installation Charge

Service Order \$ 10.00

Monthly Rate USOC

Subscription Fee \$ 15.00 TS1LV

Discount

Discount 10%

(N)

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(END OF APPENDIX B)