

Decision 90 02 029 FEB 23 1990

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )	
Extelcom, Inc., dba Express Tel, for )	
Amendment of its Certificate of )	Application 89-11-011
Public Convenience and Necessity to )	(Filed November 13, 1989)
Provide Operator Services Within the )	
State of California (U 5047 C). )	

O P I N I O N

Summary of Decision

The decision amends the certificate of public convenience and necessity (CPCN) granted to Extelcom, Inc., doing business as Express Tel (Extelcom or applicant), on July 15, 1984 by Decision (D.) 84-07-087 for authority to provide resale interLATA operator and associated services.

Background

By D.84-07-087, the Commission issued a CPCN to Extelcom to operate as a reseller of interLATA telecommunication service. Extelcom, by this application, requests an amendment to its CPCN to authorize Extelcom to provide intrastate, interLATA operator and associated services or alternate operator service (AOS).

On December 21, 1989, Pacific Bell (PacBell) filed a protest requesting that Extelcom be subject to the same conditions imposed on other AOS providers in recent Commission decisions.<sup>1</sup> No other party protested the application.

On December 28, 1989, Extelcom amended its application and agreed to the conditions proposed by PacBell. These conditions

<sup>1</sup> See, e.g., U.S. Operators, Inc., Application 88-10-026, D.89-04-031; Payline Systems, Inc., A.88-10-044, D.89-02-021.

are incorporated in Ordering Paragraph 3 and resolve the issues raised by PacBell.

On April 13, 1988, seven months before the filing of this application, the Director of the Commission Advisory and Compliance Division (CACD) sent a letter directing all AOS companies which provide intrastate services in California to file applications for certificates of public convenience and necessity and propose tariffs for their intrastate services within 60 days. This order provides that applicant's tariff schedules for the provision of AOS are subject to pre-filing review and approval of the Chief of the CACD's Telecommunications Branch. Upon receipt of a letter from the Chief of the Telecommunications Branch indicating CACD's approval of the AOS-related tariff schedules, applicant is authorized to file with this Commission its tariff schedules for the provision of such services. Applicant may not offer AOS-related service until these tariffs are on file.

Extelcom is placed on notice that this Commission may review issues affecting the AOS industry in more general terms in I.88-04-029 or another appropriate proceeding. Nothing in today's decision should be construed as a prejudgement on our part of issues already in I.88-04-029 or other generic issues, as such issues may ultimately affect applicant.

This application is granted to authorize Extelcom, in addition to the authority to operate as a reseller of interLATA telecommunication service for which Extelcom is currently certificated, interLATA AOS, under the conditions specified, and to the extent the application may be construed as a request for authorization to provide intraLATA service, it will be denied.

Findings of Fact

1. By D.84-07-087, the Commission issued Extelcom a CPCN to operate as a reseller of interLATA telecommunication service.

2. Extelcom requests an amendment to its CPCN which would authorize Extelcom to also provide interLATA AOS.

3. PacBell requests that Extelcom be subject to the same conditions imposed on other AOS providers in recent Commission decisions.

4. Extelcom has amended its application to comply with PacBell's request.

5. No other party has protested.

6. As a telephone corporation operating as a telecommunication service supplier, Extelcom is subject to: (a) the current 2.5% surcharge on gross intrastate interLATA revenues, (PU Code § 879), (b) the current three-tenths of one percent (0.3%) surcharge on gross intrastate interLATA revenues to fund Telecommunications Devices for the Deaf. (PU Code § 2881; Resolution T-13061), and (c) the user fee provided in PU Code §§ 431-435. For the 1989-90 fiscal year the user fee is 0.1% of gross intrastate revenue.

Conclusions of Law

This application should be granted to the extent set forth below.

O R D E R

IT IS ORDERED that:

1. The application of Extelcom, Inc., doing business as Express Tel (Extelcom or applicant) to amend its certificate of public convenience and necessity issued by Decision 84-07-087 for authority to provide, in addition to the authority to operate as a reseller of interLATA telecommunications service for which it is currently certificated, intrastate, interLATA operator and associated services or alternate operator service (AOS), is hereby granted under the conditions specified.

2. To the extent that the application may be construed to request authorization to provide intraLATA telecommunications services, the application is denied.

3. In connection with the provision of AOS, applicant shall adhere to the following four conditions:

- a. All intraLATA calling shall be directed by Extelcom to the local exchange company for completion by the local exchange company as intraLATA calling. As used herein "intraLATA calling" shall mean all calls that originate and terminate within the same LATA. The routing of intraLATA calls to the local exchange carrier requires that (1) all such calls, as dialed by the end user customer, be routed as dialed to the local exchange carrier and may not be routed to any person or entity for call processing, billing, transmission, or completion, and (2) all such routing be accomplished in a manner that permits application of the local exchange carrier's charges for intraLATA calling by the local exchange carrier from the central office where the call originates to the central office or wire center serving the device where the call terminates. In addition, the routing of intraLATA calls to the local exchange carrier shall be done in a manner which permits the performance by the local exchange carrier of functions for which a local exchange carrier charge applies (including, without limitation, all intraLATA operator and operator surcharge functions). By way of example, and without limitation, Extelcom, shall not, by itself or in conjunction with any other entity or person, permit, allow, or hold out the availability of any routing arrangement that directs intraLATA calls as dialed by an end user customer to any person or entity other than the local exchange carrier.
- b. Extelcom shall not offer, hold out, provide, or otherwise make available intraLATA operator-handled calls. As used herein intraLATA operator-handled calls (also referred to as "non-sent paid calls"), whether handled mechanically or manually, includes all intraLATA credit card, bill third number, collect, Station to Station, Person to Person, conference

calls, or any combination thereof. The routing of intraLATA operator-handled calls (non-sent paid calls) by the local exchange company requires that (1) all such calls as dialed by the end user customer be routed to the local exchange company and to no other person or entity, including Extelcom, (2) routing shall be accomplished in a manner that permits application of the local exchange company's operator charges, and (3) such non-sent paid calls shall be billed by the local exchange company to the number or account designated by the calling person and acceptable by the local exchange company. InterLATA operator-handled calls may be provided by Extelcom.

- c. Extelcom shall inform all customers who inquire that intraLATA calls and intraLATA operator-handled calls are to be provided by the local exchange company. In addition, Extelcom shall take all necessary action to ensure that such calls are returned to the local exchange company central office serving the calling party for completion and billing by the local exchange company as an intraLATA call.
- d. For completion of calls from non-utility pay phones, Extelcom will charge customers no more for interLATA intrastate calling than the tariffed rates of AT&T-Communications, Inc., plus any additional amounts permitted by the Commission.

4. Applicant shall provide tariff schedules for the provision of interLATA AOS to the Commission Advisory and Compliance Division (CACD) for its review. Upon review of these tariff schedules and the written approval of them by the Chief of CACD's Telecommunications Branch, applicant is authorized to file with this Commission tariff schedules for the provision of interLATA AOS. Applicant may not offer such services until these tariffs are on file.

5. Applicant may deviate from the following provisions of GO 96-A: (a) paragraph II.C(1)(b), which requires consecutive

sheet numbering and prohibits the reuse of sheet numbers, and (b) paragraph II.C(4), which requires that "a separate sheet or series of sheets should be used for each rule." Tariff filings incorporating these deviations shall be subject to the approval of the CACD's Telecommunications Branch. Tariff filings shall reflect the surcharges in Findings of Fact.

6. The requirements of GO 96-A relative to the effectiveness of tariffs after filing are waived to the extent that changes in Federal Communications Commission (FCC) tariffs may become effective on the same date for California interLATA service for those companies that adopt the FCC tariffs.

7. Applicant shall file as part of its individual tariff, after the effective date of this order and consistent with Ordering Paragraph 4, a service area map.

8. Applicant shall notify this Commission in writing of the date service is first rendered to the public within 5 days after service begins.

9. Applicant shall keep its books and records in accordance with the Uniform System of Accounts specified in Part 32 of the FCC rules.

10. Applicant shall file an annual report, in compliance with GO 104-A, on a calendar year basis using the information request form developed by the CACD Auditing and Compliance Branch and contained in Attachment A.

11. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months after the effective date of this order.

12. Within 30 days after this order is effective, applicant shall file a written acceptance of the certificate granted in this proceeding.

13. Extelcom has been assigned the corporate identification number (CIN) U 5047 C. Extelcom shall include the CIN in the

caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

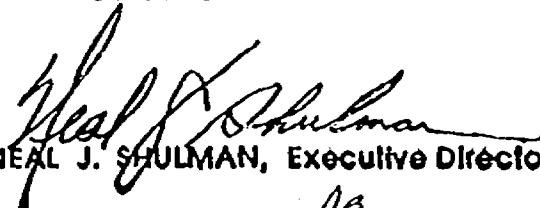
14. Within 60 days of the effective date of this order, applicant shall comply with PU Code § 708, Employee Identification Cards, and notify the Chief of CACD's Telecommunications Branch in writing of its compliance.

This order is effective today.

Dated FEB 23 1990, 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

  
NEAL J. SHULMAN, Executive Director

TO: ALL INTEREXCHANGE TELEPHONE UTILITIES

Article 5 of the Public Utilities Code grants authority to the California Public Utilities Commission to require all public utilities doing business in California to file reports as specified by the Commission on the utilities' California operations.

A specific annual report form has not yet been prescribed for the California interexchange telephone utilities. However, you are hereby directed to submit an original and two copies of the information requested in Attachment A no later than March 31st of the year following the calendar year for which the annual report is submitted.

Address your report to:

California Public Utilities Commission  
Auditing and Compliance Branch, Room 2151  
505 Van Ness Avenue  
San Francisco, CA 94102-3298

Failure to file this information on time may result in a penalty as provided for in §§ 2107 and 2108 of the Public Utilities Code.

If you have any question concerning this matter, please call (415) 557-2484.

Very truly yours,

/s/ KENNETH K. LOUIE  
Kenneth K. Louie  
Auditing and Compliance Branch



ATTACHMENT A

Information Requested of California Interexchange Telephone Utilities.

To be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3251, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

1. Exact legal name and U # of reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (e.g., corporation, partnership, sole proprietorship, etc.)  
If incorporated, specify:
  - a. Date of filing articles of incorporation with the Secretary of State.
  - b. State in which incorporated.
6. Commission decision number granting operating authority and the date of that decision.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. A list of all affiliated companies and their relationship to the utility. State if affiliate is:
  - a. Regulated public utility.
  - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.

(END OF ATTACHMENT A)