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Decision 90-12-130 December 27, 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GTE California)	
Incorporated, a corporation,)	
(U 1002 C), for authority to)	Application 88-07-054
establish a tariff schedule)	(Filed July 29, 1988)
for CentraNet Service.)	
)	

O P I N I O N

On December 5, 1990, GTE California Incorporated (GTEC) filed its "Petition of GTE California Incorporated to Modify Decision No. 88-12-027" (Petition). That decision had authorized GTEC to provide CentraNet services on a provisional basis for two years or until permanent rates and charges are established for CentraNet service as a part of the Supplemental Rate Decision (SRD) Phase of Order Instituting Investigation (I.) 87-11-033, the Commission's investigation into alternative regulatory frameworks for local exchange carriers.

CentraNet Service employs stored program control at GTEC's central office to provide each station line within a Customer Group with Direct Forward Dialing, which allows incoming calls from the exchange and toll network to be completed directly to a station, and Direct Outward Dialing, which allows outgoing calls to the exchange and toll network to be completed directly from a primary station by dialing an access code. CentraNet customers may select optional feature packages with provide, among other things, call forward, call transfer, call writing, and conferencing.

GTEC had implemented its CentraNet service through Tariff Schedule Cal. P.U.C. No. A-2, which expires on January 6, 1991 pursuant to Decision (D.) 88-12-027. GTEC requests the Commission modify Ordering Paragraph 1 of D.88-12-027 to read as follows:

- "1. GTE California Incorporated (GTEC) is authorized to establish CentraNet Service in accordance with the proposed tariff set forth in Appendix A, attached to this order, on a provisional basis until permanent rates and charges are established for CentraNet Service as a part of the Supplemental Rate Design Phase of the I.87-11-033 proceeding."

GTEC maintains that at the time D.88-12-027 was issued, the Commission clearly intended that SRD would be completed within two years, and new permanent CentraNet rates and charges would be decided upon, along with all other rates and charges, within the SRD proceeding. Since the issuance of D.88-12-027, the I.87-11-033 schedule of proceedings has changed and SRD has not yet begun. According to GTEC, these circumstances make it necessary to bridge the effective period of the CentraNet provisional tariff through to the completion of SRD.

The period of time to protest the Petition was shortened to 15 days by administrative law judge ruling. No protests were received within that period.

Discussion

By filing its Petition, GTEC is seeking to extend its authority to provide CentraNet service under existing terms and conditions until the completion of the SRD portion of I.87-11-033. The term of the Commission's original grant of authority to offer CentraNet service was limited to the completion of SRD or two years, whichever came first. GTEC's original application for CentraNet service included cost studies which indicated that the rates set forth in the provisional tariff would provide a positive contribution. During the two years it has provided CentraNet Service, GTEC has filed quarterly tracking reports with the Commission Advisory and Compliance Division to quantify the level of contribution pursuant to D.88-12-027. We find that with continued monitoring, the provision of CentraNet service under the

current tariff pending the conclusion of SRD will be in the interest of ratepayers.

Concurrent with the filing of its Petition, GTEC also transmitted Advice Letter 5289 for the purpose of extending the provisional CentraNet Service Tariff (Schedule Cal. P.U.C. No. A-2) and revising certain portions of text for administrative purposes. The tariff would state that CentraNet service "...is provided on a provisional basis until permanent rates and charges are established as a part of the Supplemental Rate Design Phase of the I.87-11-033 proceeding."

No protests to the advice letter were received within the 20-day period for protests provided by General Order 96-A.

Advice Letter 5289 should be used to carry out the extension of CentraNet service ordered by this decision. Although the advice letter would ordinarily become effective no sooner than 40 days after its date of filing pursuant to General Order 96-A, there is good cause, as explained in this decision, to allow Advice Letter 5289 to become effective within a shorter period, or 30 days in this case. Therefore, Advice Letter 5289 should become effective on January 6, 1991.

Findings of Fact

1. The authority of GTEC to offer CentraNet service will expire on January 5, 1991.
2. There are currently subscribers to GTEC's CentraNet service who would be harmed by the elimination of CentraNet service.
3. D.88-12-027 authorized GTEC to file Tariff Schedule Cal. P.U.C. No. A-2 to offer CentraNet services for a period of two years or until permanent rates and charges are established for CentraNet service as a part of the SRD phase of I.87-11-033, whichever occurs first.
4. GTEC has filed quarterly reports of its costs and revenues associated with the provision of CentraNet services with

the Commission's Advisory and Compliance Division since the inception of that service. Continuation of those filings will enable the Commission to assure the reasonableness of CentraNet service rates even if the service is provided after the two-year period of provisional authority.

Conclusion of Law

GTEC's authority to provide CentraNet service should be amended to permit the continuation of CentraNet service until permanent rates and charges have been established pursuant to a decision in the SRD phase of I.87-11-033.

O R D E R

Therefore, it is ordered that:

1. Ordering Paragraph 1 of D.88-12-027 is modified to read as follows:

- "1. GTE California Incorporated (GTEC) is authorized to establish CentraNet Service in accordance with the proposed tariff set forth in Appendix A, attached to this order, on a provisional basis until permanent rates and charges are established for CentraNet Service as a part of the Supplemental Rate Design Phase of the I.87-11-033 proceeding."

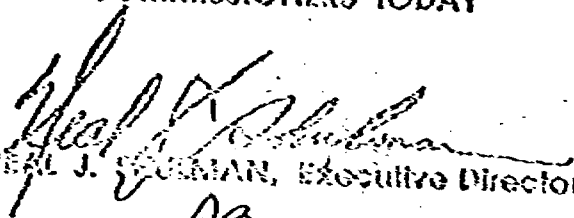
2. GTEC shall implement Ordering Paragraph 1, above, through Advice Letter 5289, filed on December 5, 1990. Advice Letter 5289 shall become effective on January 6, 1991.

This order is effective today.

Dated December 27, 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. SEEMAN, Executive Director