

MAR 25 1991

Decision 91-03-056 March 22, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Applications of Contel of California, Inc. (U 1003 C), a corporation, for approval of Rate Flexibility for Custom Calling Service.

Application 91-01-025 (Filed January 24, 1991)

ORIGINAL

OPINION

By this Expedited Application Docket (EAD) Contel of California, Inc. (Contel), requests that the Commission grant rate flexibility for the Custom Calling Service features currently available from its modern control offices.

Ordering Paragraph 3 of Decision (D.) 89-10-031 states:

- "3. All local exchange carriers are authorized to file applications in expedited application dockets to request rate flexibility for Category II services, as provided in Section VII.A.6 of this decision. Applications shall comply with Rules 2 through 8, 15, and 16 of the Rules of Practice and Procedure and shall include proposed tariff schedules. A local exchange carrier shall demonstrate that its application complies with the unbundling, nondiscriminatory access, imputation, and rate structure principles adopted in Ordering Paragraph 2. Copies of the applications shall be served separately at the time of filing on the Commission's Advisory and Compliance Division (CACD), Division of Ratepayer Advocates (DRA), and Legal Division, and shall contain or have attached cost support and work papers. Copies of the applications shall also be served at the time of filing on all parties in I.87-11-033 and on anyone requesting such service..."

Overview

A. Custom Calling Services Background

Custom Calling Service is an optional offering of central office-based services furnished to individual business and residential customers.

The Custom Calling features for which rate flexibility is requested by Contel in this application are Call Forwarding, Call Waiting, Three-way Calling, Customer Changeable Speed Calling, Automatic Callback Calling, Select-A-Ring, Call Forwarding Busy, Call Forwarding No Answer, and Message Waiting Indication - Stutter Dial Tone.

B. Compliance with D.89-10-031

Custom Calling Service is a custom calling/vertical service. Contel is authorized by D.89-10-031 to file an EAD to request pricing flexibility for this service. Contel is proposing that rate floors be based on fully allocated costs. D.89-10-031 requires applicants for pricing flexibility to demonstrate compliance with the principles of unbundling, nondiscriminatory access, and imputation.

These call management services are discretionary in nature, i.e. they are not essential telecommunications services. In order to use these central office-based services, subscribers must have network access service. The tariff proposed in this application provides only custom calling/vertical services; network access must be purchased separately. Network access is available on an unbundled, nondiscriminatory basis to both Contel and its competitors. Moreover, Contel and its competitors will have nondiscriminatory access to the proposed services since they will be offered under the same terms and conditions to all purchasers within each class of service.

Since the proposed services themselves do not constitute or include monopoly building blocks (except network access which is priced separately on an equal basis to Contel and its competitors),

their price floors are established at fully allocated costs. These features are not monopoly building blocks, nor do they include or require the use of monopoly building blocks.

Descriptions of the Services

The services involved in Contel's application are call management services which provide subscribers with added convenience and control over their telephone(s).

Call Forwarding

Call Forwarding permits the customer to automatically forward (transfer) all incoming calls to another telephone number, and to later restore service to normal operation at the customer's discretion.

Call Waiting

Call Waiting permits the customer engaged in a call to receive a tone signal indicating a second call is waiting, and by operation of the switchhook to place the first call on hold while answering the waiting call. The customer may alternate between the two calls by operation of the switchhook, but a three-way conference cannot be established.

Three-way Calling

Three-way Calling permits the customer to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The customer initiating the conference controls the call and may disconnect the third party to reestablish the original connection or establish a connection with a different third party. The feature may be used on both outgoing and incoming calls.

Customer Changeable Speed Calling

Customer Changeable Speed Calling permits the customer to place calls to other telephone numbers by dialing a one- or two-digit code rather than the complete telephone number. The feature is available as an eight-code list and may include local and/or

toll telephone numbers. To establish or change a telephone number in a code list, the customer dials an activating code, receives a second dial tone, and dials a code plus the telephone number.

Automatic Callback Calling

Automatic Callback Calling is a central office-based feature which permits the customer who has dialed a number that is busy to hang up and dial a code to activate automatic callback. When the busy station goes on-hook and the calling station is on-hook, the calling station receives a distinctive ringing pattern. Upon answer, the call is automatically completed to the previously busy station.

Select-A-Ring

Select-A-Ring allows up to four directory numbers to be assigned to each single-party line. This feature provides a distinctive ringing pattern for each directory number on the line.

Call Forwarding Busy

Call Forwarding Busy allows a customer to have calls forwarded to another number when the customer's line is busy. The station to which the call is forwarded is preprogrammed by Contel and remains activated until deactivated by Contel.

Call Forwarding No Answer

Allows the customer to have calls forwarded to another number when the customer does not answer after five rings. If the customer answers the call prior to the fifth ring, the call will not be forwarded; however, this feature will always forward after the fifth ring.

Message Waiting Indication - Stutter Dial Tone

This feature allows the customer to receive an indication that a message has been left in the customer's voice messaging system by means of a stuttered dial tone. When the customer goes off-hook, regular dial tone is replaced by 160 milliseconds (ms) of dial tone followed by 160 ms of silence.

Contel is requesting rate flexibility for all Custom Calling Services. D.89-10-031 allows pricing flexibility for services which are not essential to basic telecommunications services, and determined that custom calling/vertical services were in this category.

These services are currently offered to all residential customers, where available, on the same terms and conditions. Rates for business customers are set higher than for residential customers.

DRA reviewed the application and indicated in discussions with the utility that it had certain concerns over Contel's reference to the unbundling of network elements, monopoly building blocks, and imputation. DRA also expressed concern over Contel's implementation of pricing flexibility and the level of its floor rates for Call Forwarding, Three-way Calling, and Speed Calling. Contel subsequently, by letters dated February 22 and March 4, 1991, submitted revised tariff sheets to reflect agreement reached in the discussions with DRA. The revised tariff schedules, attached hereto as Appendix A, set forth Contel's current request.

The application has been filed as an EAD in accordance with the provisions of D.89-10-031. Except for the concerns of DRA which Contel has satisfied, no protest has been received to the filing. Accordingly, the application and tariff schedules, as revised, should be granted and adopted, respectively.

Findings of Fact

1. D.89-10-031 authorized local exchange carriers to file applications in EADs to request rate flexibility for Category II services, as provided in Section VII.A.6. of the decision.
2. Contel was authorized by D.89-10-031 to file an EAD application for the Custom Calling Services described in the application.
3. Since the proposed services themselves do not constitute or include monopoly building blocks, except network access, which

is priced separately on an equal basis to Contel and its competitors, their price floors are established at fully allocated costs.

4. The services described herein are call management services and will provide subscribers with added convenience and control over their telephones.

5. The rates shown in Appendix A to this decision for the services described herein are reasonable.

Conclusion of Law

The application should be granted. Since the services described herein will provide subscribers with added convenience and control over their telephones, this order should be effective today.

ORDER

IT IS ORDERED that:

1. Contel of California, Inc. (Contel) is authorized to file, after the effective date of this order, and in compliance with General Order 96-A, an advice letter together with the tariff schedule set forth in Appendix A. This advice letter and associated tariff sheets will become effective not less than 5 days after filing.

2. In accordance with Ordering Paragraph 4 of D.89-10-031, Contel may revise its rates and charges within the pricing flexibility ranges adopted herein by making advice letter filings under the provisions of General Order 96-A, to become effective on 10 days' notice to all affected customers if the rate change is a decrease, and on 30 days' notice to affected customers if the rate change is an increase. The advice letter shall provide notice that any protests shall be filed within 8 days after the advice letter is filed.

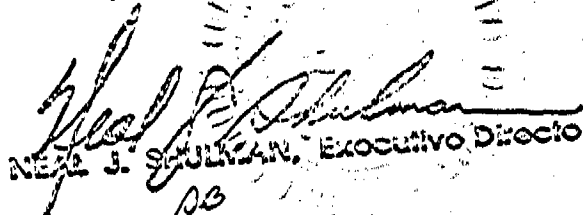
3. This is a final order and the proceeding is closed.

This order is effective today.

Dated March 22, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL WM. FESSLER
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director
PS

SCHEDULE NO. AAA				(N)
PRICE LIST (continued)				
<u>Rate Location</u>	<u>Service</u>	<u>Monthly Rate</u>	<u>S&E Code</u>	
A1	Schedule No. A-1			
A1.A6	Custom calling			
A1.A6.B1	Individual feature			
A1.A6.B1.C1	Forwarding: Bus	\$3.60	BCF	
	Res	2.40	RCF	
A1.A6.B1.C2	Waiting: Bus	6.00	BCW	
	Res	3.60	RCW	
A1.A6.B1.C3	Three-way: Bus	6.00	B3C	
	Res	3.60	R3C	
A1.A6.B1.C4	Speed: Bus	4.20	BAD	
	Res	2.40	RAD	
A1.A6.B1.C5	Automatic Callback: Bus	4.50	BC	
	Res	2.50	RC	
A1.A6.B1.C6	SELECT-A-RING			
A1.A6.B1.C6.D1	One additional number: Bus	5.00	SR1B	
	Res	4.00	SR1R	
A1.A6.B1.C6.D2	Two additional numbers: Bus	6.00	SR2B	
	Res	5.50	SR2R	
A1.A6.B1.C6.D3	Three additional numbers: Bus	8.00	SR3B	
	Res	7.00	SR3R	
A1.A6.B1.C7	Call forward message center package: Bus	1.80	BCFD	
	Res	1.50	RCFD	
A1.A6.B1.C8	Complete call forward package: Bus	4.10	BCFO	
	Res	2.90	RCFO	
A1.A6.B1.C9	Message waiting indication - Bus	1.75	MWTB	
	Stutter dial tone: Res	1.25	MWTR	(N)

(continued)

Advice Letter No. _____

Decision No. _____

ISSUED BY
James F. Miles
PRESIDENT

Date Filed _____

Effective _____

Resolution No. _____

SCHEDULE NO. AAA				(N)
PRICE LIST (continued)				
<u>Rate Location</u>	<u>Service</u>	<u>Monthly Rate</u>	<u>S&E Code</u>	
A1	Schedule No. A-1			
A1.A6	Custom calling			
A1.A6.B2	Two feature packages			
A1.A6.B2.C1	Forward and wait:	Bus \$7.20 Res 4.80	BAKA RAKA	
A1.A6.B2.C2	Forward and three-way:	Bus 7.20 Res 4.80	BAKB RAKB	
A1.A6.B2.C3	Wait and three-way:	Bus 9.60 Res 6.00	BAKC RAKC	
A1.A6.B2.C4	Forward and speed:	Bus 5.40 Res 3.60	BAKD RAKD	
A1.A6.B2.C5	Wait and speed:	Bus 7.80 Res 4.80	BAKE RAKE	
A1.A6.B2.C6	Three-way and speed:	Bus 7.80 Res 4.80	BAKF RAKF	
A1.A6.B3	Three feature packages			
A1.A6.B3.C1.D1	Forward, wait, and three-way:	Bus 12.00 Res 7.80	BAK RAK	
A1.A6.B3.C1.D2	Forward, wait, and speed:	Bus 10.20 Res 6.60	BAKG RAKG	(N)

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Advice Letter No. _____

Decision No. _____

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James F. Miles
PRESIDENT

Date Filed _____

Effective _____

Resolution No. _____

SCHEDULE NO. AAA

(N)

PRICE LIST (continued)

<u>Rate Location</u>	<u>Service</u>	<u>Monthly Rate</u>	<u>S&E Code</u>
A1	Schedule No. A-1		
A1.A6	Custom calling		
A1.A6.B3	Three feature packages		
A1.A6.B3.C2.D1	Wait, three-way, and speed:	Bus \$12.60 Res 7.80	BAKH RAKH
A1.A6.B3.C3.D1	Three-way, forward, and speed:	Bus 10.20 Res 6.60	BAKJ RAKJ
A1.A6.B4	Four feature packages		
A1.A6.B4.C1.D1	Forward, wait, three-way and speed:	Bus 15.00 Res 9.60	BAH RAH

(N)

Advice Letter No. _____

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Resolution No. _____

BAKERSFIELD, CALIFORNIA

CANCELING

Revised

CAL P.U.C. SHEET NO.

17-T

SCHEDULE NO. A-1
NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

	Monthly Rate [#]				S&E Code
	Business		Residence		
	Minimum	Maximum	Minimum	Maximum	
A6 Custom calling service					
B1 Individual features, each line*					
C1 Call forwarding	\$1.50	\$3.60	\$1.25	\$2.40	BCF RCF
C2 Call waiting	1.50	6.00	1.25	3.60	BCW RCW
C3 Three-way calling	1.50	6.00	1.25	3.60	B3C R3C
C4 Custom speed calling					
D1 Eight (8) code capacity	1.50	4.20	1.25	2.40	BAD RAD
C5 Automatic callback calling**	1.50	4.50	1.25	2.50	BC RC
C6 SELECT-A-RING					
D1 One additional directory number per primary line	2.00	5.00	2.00	4.00	SR1B SR1R
D2 Two additional directory numbers per primary line	2.50	6.00	2.50	5.50	SR2B SR2R
D3 Three additional directory numbers per primary line	3.00	8.00	3.00	7.00	SR3B SR3R

Plus applicable service charges as shown in Schedule No. A-30.
* Includes all stations on the line.
** Service is provided only where facilities are available.
Material omitted now shown on Revised Sheet No. 17A-T.

(continued)

2340W, REV-1
Advice Letter No. _____
Decision No. _____
James F. Miles
PRESIDENT
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Date Filed _____
Effective _____
Resubmission No. _____

BAKERSFIELD, CALIFORNIA

CANCELING

Revised CAL.P.U.C. SHEET NO. 17A-T

SCHEDULE NO. A-1
NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

	Monthly Rate#				S&E Code (L)	(C)
	Business		Residence			
	Minimum	Maximum	Minimum	Maximum		
A6 Custom calling service						
B1 Individual features, each line*						
C7 Call forwarding message center package: includes call forwarding busy and call forwarding no answer**	\$1.00	\$1.80	\$1.00	\$1.50	BCFD RCFD	
C8 Complete call forwarding package: includes call forwarding, call forwarding busy, and call forwarding no answer**	1.00	4.10	1.00	2.90	BCFO RCFO	
C9 Message waiting indication** D1 Stutter dial tone	1.00	1.75	1.00	1.25	MWTB MWTR(L)	(C)

Plus applicable service charges as shown in Schedule No. A-30.
* Includes all stations on the line.
** Service is provided only where facilities are available.
(L) Material formerly shown on Revised Sheet No. 17-T.
Material omitted now shown on Original Sheet No. 17B-T.

(continued)

2340W, REV-3

Advice Letter No. _____
Decision No. _____

ISSUED BY
James F. Miles
PRESIDENT

Date filed _____
Effective _____
Resubmission No. _____

BAKERSFIELD, CALIFORNIA

CANCELING

CAL P.U.C. SHEET NO. 178-T

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

	Monthly Rate [†]				S&E Code	(C)
	Business		Residence			
	Minimum	Maximum	Minimum	Maximum		
A6 Custom calling service (continued)						
B2 Two feature packages, each line*						
C1 Call forwarding and call waiting.	\$1.90	\$7.20	\$1.85	\$4.80	BAKA RAKA	(L,)
C2 Call forwarding and three-way calling . .	1.90	7.20	1.85	4.80	BAKB RAKB	
C3 Call waiting and three-way calling. . . .	1.90	9.60	1.85	6.00	BAKC RAKC	
C4 Call forwarding and customer changeable speed calling						
D1 Eight (8) code capacity	1.90	5.40	1.85	3.60	BAKD RAKD	
C5 Call waiting and customer changeable speed calling						
D1 Eight (8) code capacity	1.90	7.80	1.85	4.80	BAKE RAKE	(L,) (C)
C6 Three-way calling and customer changeable speed calling						
D1 Eight (8) code capacity	1.90	7.80	1.85	4.80	BAKF RAKF	(C)(L) (C)(L)

(L) Material formerly shown on Revised Sheet No. 17A-T.
 (L) Material formerly shown on Revised Sheet No. 18-T.
 † Plus applicable service charges as shown in Schedule No. A-30.
 * Includes all stations on the line.

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 Decision No. _____
 ISSUED BY
 James F. Miles
 PRESIDENT
 Date Filed _____
 Effective _____
 Amendment No. _____
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 CONTEL BAK

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

	Monthly Rate [‡]				S&E Code	(C)
	Business		Residence			
	Minimum	Maximum	Minimum	Maximum		
A6 Custom calling service (continued)						
B3 Three feature packages, each line*						
C1 Call forwarding, call waiting and						
D1 Three-way calling.	\$2.60	\$12.00	\$2.45	\$7.80	BAK RAK	
D2 Customer changeable speed calling.	2.60	10.20	2.45	6.60	BAKG RAKG	
C2 Call waiting, three-way calling						
D1 Customer changeable speed calling 8 code	2.60	12.60	2.45	7.80	BAKH RAKH	
C3 Three-way calling, call forwarding and						
D1 Customer changeable speed calling - (8) code	2.60	10.20	2.45	6.60	BAKJ RAKJ	(L)

* Includes all stations on the line.
 ‡ In addition to applicable service charges as shown in Schedule No. A-30.
 (L) Material formerly shown on Revised Sheet No. 19-T.
 Material omitted is now shown on Original Sheet No. 17B-T.

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Decision No. _____
 Advice Letter No. _____
 JAMES F. KILES
 PRESIDENT
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Revised

CAL. P.U.C. SHEET NO.

19-T

BAKERSFIELD, CALIFORNIA

CANCELING

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

	Monthly Rate#				S&E Code	(C)
	Business		Residence			
	Min	Max	Min	Max		
A6 Custom calling service (continued)						
B4 Four feature packages, each line*						
C1 Call forwarding, call waiting, three-way calling and						
D1 Customer changeable speed calling - (8) code	\$3.00	\$15.00	\$2.80	\$9.60	BAH RAH	(C)
		<u>Nonrecurring Charge</u>				
A7 Intercept verify						
B1 Each verification of busy line condition			\$.50		BVLC	
B2 Each interruption of a conversation in progress			1.00		ICNV	

Material omitted now shown on Revised Sheet No. 18-T.
 # In addition to applicable service charges as shown in Schedule No. A-30.
 * Includes all stations on the line.

(continued)
 (END OF APPENDIX A)

Advice Letter No. _____

Decision No. _____

ISSUED BY
James P. Miles
 PRESIDENT

Date Filed _____

Effective _____

Resolution No. _____