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Decision 92-07-053 July 22, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
AT&T Communications of California,)
Inc. (U 5002 C) Under Rule 15 for)
authority to restructure ACCUNET®)
T1.5 And DATAPHONE® Digital Private)
Line Service Rates.)

ORIGINAL
Application 89-11-015
(Filed November 17, 1989)

FINAL OPINION

Background

On November 17, 1989, AT&T Communications of California, Inc. (AT&T-C) filed Application (A.) 89-11-015 for authority to restructure its rates for ACCUNET® T1.5 (T1.5) and DATAPHONE® Digital Services (DDS). T1.5 and DDS are private line services offered by AT&T-C which provide customers with high speed and intermediate speed digital communications.¹

By A.89-11-015, AT&T-C also sought authority to provide various options to customers for accessing its services and the local exchange telephone company (LEC) network and other services. In addition, AT&T-C requested authority for a multi-service volume pricing plan (MSVPP) to aggregate these and other AT&T-C services such that expanded volumes of business for specific terms (duration) would yield greater discounts from AT&T-C's regular monthly rates. A.89-11-015 also included a request for authority to offer an additional DDS at a subrate (slower) transmission speed of 19.2 kbps.

¹ T1.5 service is provided at a transmission speed of 1.544 megabits per second (Mbps) and DDS is provided at transmission speeds of 2.4, 4.8, 9.6, and 56 kilobits per second (kbps) to transport customer information on a digital, dedicated, premises-to-premises basis.

By Decision (D.) 90-04-024 dated April 11, 1990, the Commission granted interim conditional authority to AT&T-C to restructure its DDS and T1.5 services. However, final authority for the T1.5 and the DDS interoffice channel reference rates and corresponding rate bands for pricing flexibility was deferred until the final order in A.89-03-046 (READYLINE) was issued.

D.90-04-024 also granted AT&T-C the authority to offer the slower speed 19.2 kbps DDS it had requested. However, by Advice Letter 256 dated May 20, 1992, AT&T-C now requests withdrawal of its 19.2 kbps DDS because it has no customers, and there is no pending demand for this slower speed service. No timely protests were received relative to Advice Letter 256.

By D.90-11-029 dated November 9, 1990, the Commission, among other things, authorized AT&T-C to use its Transport Incremental Cost Model (TICM) with certain adjustments to determine long-run incremental costs (LRIC) for its new competitive communications services, except for message toll service, private line and directory services; as well as excepting any new service which is merely a "repricing" of these excepted services.

Thereafter, by D.91-10-038 dated October 23, 1991, the Commission issued a Final Opinion on AT&T-C's ACCUNET T.45 High-Speed digital private line service offering. D.91-10-038 authorized AT&T-C to also use LRIC for setting the minimum rates and charges for its new competitive nonswitched private line service offerings. D.91-10-038 required the private line LRIC to use various inputs which are specific to the service under study.

D.91-10-038's authorization of the use of private line LRIC for determining costs for establishing the proper floors for rates and charges, for private line services, resolved the remaining issue(s) of Interim Order D.90-04-024 in A.89-11-015. Accordingly, the existing interim rates for the private line services authorized by D.90-04-024 should be made final and that proceeding may be closed.

Lastly, by letter dated February 24, 1992, to the assigned Administrative Law Judge, AT&T-C states that based on the decisions referenced herein (supra) "...no further Commission action is requested on A.89-11-015."

Findings of Fact

1. D.90-04-024 granted interim authority to AT&T-C to restructure its ACCUNET® T1.5 and DATAPHONE® Digital Services pending further review of its LRIC methodology "in A.89-03-046 et al."

2. D.90-11-029 in A.89-03-046 authorized AT&T-C to use its TICM model to determine the LRIC for many of its new competitive services, excepting message toll, private line and directory services.

3. D.91-10-038 subsequently authorized AT&T-C to use its private line LRIC estimating methodology to determine the costs for setting the floor rates and charges for its competitive nonswitched private line service offerings.

4. AT&T-C, by letter dated February 24, 1992, confirmed that no further Commission action is requested in A.89-11-015.

5. AT&T-C, by Advice Letter 256 dated May 20, 1992, requested withdrawal of its 19.2 kbps DDS because there is no demand for the service and there are no customers currently using this service.

Conclusions of Law

1. The current (existing) interim rates and charges for the services authorized by D.90-04-024 should be made permanent.

2. AT&T-C should be permitted to withdraw its 19.2 kbps DATAPHONE® Digital Service in view of the absence of customers and any demand for that service.

3. All outstanding issues in A.89-11-015 have been resolved and this proceeding should be closed.

FINAL ORDER

IT IS ORDERED that:

1. The current (existing) interim rates and charges for AT&T Communications of California's (AT&T-C) ACCUNET® T1.5 and DATAPHONE® Digital Services are hereby made permanent.

2. AT&T-C is authorized to withdraw its slower speed 19.2 kbps DATAPHONE® Digital Service as requested in its Advice Letter 256 dated May 20, 1992.

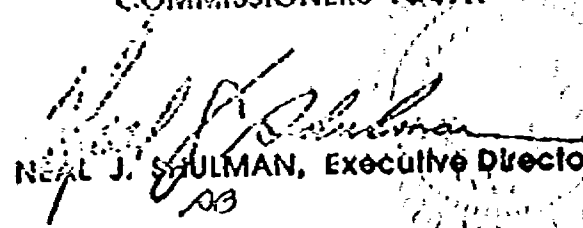
3. This proceeding is closed.

This order is effective today.

Dated July 22, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director