

Decision 98-05-041 May 21, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Pacific Bell
(U 1001 C) to Remove the Installation of Registered
Jacks from its Tariffs.

Application 97-07-053
(Filed July 30, 1997)

ORIGINAL**OPINION**

By application dated and filed July 30, 1997, Pacific Bell (Pacific) (U 1011 C), pursuant to Ordering Paragraphs 3 and 20 of Decision (D.) 89-10-031 and Rule 42 of the Commission's Rules of Practice and Procedure, requests that the Commission approve the removal or the installation of registered jacks from Pacific's tariffs. Notice of filing of the application appeared in the Daily Calendar on Tuesday, August 12, 1997. No protests or other opposition to the application has been filed, and a hearing on the application is not deemed necessary.

Background

In D.89-10-031, issued October 12, 1989, the Commission established three categories of local exchange carrier (LEC) telecommunications services. The Commission determined that creating these categories would encourage efficient operations while protecting monopoly ratepayers and allow LECs to respond better to market conditions. The following categories were established:

CATEGORY I - Consists of those services deemed to be basic monopoly services. Rates and charges for services are set or changed only upon approval of the Commission.

CATEGORY II - Includes discretionary or partially competitive services for which the LEC retains significant, though perhaps declining market power. Rates and charges for services are set only upon approval of the Commission.

CATEGORY III - Consists of fully competitive services. The Commission determined that no Commission oversight of pricing would be needed to protect

customers of these competitive services because market forces would impose pricing efficiency. Upward and downward price flexibility exists.

Currently, registered jacks are tariffed as Category I products.

Registered Jacks

In January 1993, after the Commission adopted the Demarcation Settlement Agreement (the Demarcation Order) but before its effective date, Pacific realized it had not deleted all tariff references to registered jacks. Registered jacks are installed only in conjunction with the installation of inside wire. Pacific believes it is incongruous to consider registered jacks a Category I product when inside wire installation is a Category III product. On June 25, 1993, Pacific filed Advice Letter No. 16611 to delete registered jacks from its tariffed services effective upon the implementation of demarcation on August 8, 1993. Although the Division of Ratepayer Advocates (DRA), now the Office of Ratepayer Advocates (ORA), had no objection to the substance of Advice Letter 16611, it did object procedurally to Pacific's use of an advice letter instead of an application. In light of this opposition, on July 22, 1993, Pacific elected to withdraw the Advice Letter and to defer the issue of jacks until after demarcation was implemented. Pending the removal of the jacks from the tariffs, Pacific continued to provide the jacks at tariffed rates whenever installing simple inside wire.

The tariffed rate differs from the market rate. Accordingly, by the present application, Pacific requests the removal of registered jacks from its tariff. According to Pacific, this change will permit Pacific to obtain full flexibility to market this competitive product and pass the benefits of competition on to Pacific's customers.

Discussion

At the present time, the registered jack used at a customer's premises is a tariffed product offered under Schedule Cal. PUC No. A.8.1.21. The tariff contains rates and charges for jacks which are installed with an associated line (A.8.1.21.5) and jacks associated with different types of service (A.8.1.21.8). Pacific offers these jacks and charges the tariffed rates only in connection with inside wire installation.

The Commission's decisions regarding inside wire deregulated the jacks. Simple inside wire refers to all of the premises telephone wiring, including jacks, on the customer's side of the demarcation point. (D.92-01-023, App. A at p. 11.) The installation of simple inside wire is a Category III product; there is no tariff and Pacific does the work either for a flat rate or on a time and materials basis. (D.89-10-031.) In short, jacks are a part of inside wire and were detariffed by D.92-01-023.

Having previously deregulated the jacks and having no present intention to retariff them, we see no reason why they should not be removed from Pacific's tariffs. In order to provide the benefits of competition in regard to these jacks, this should be done immediately. Irrespective of this ruling, we wish to reaffirm our position in D.97-11-029 whereby Pacific is responsible for all work on the cross-connects between the utility's network access terminal and the building owner's entrance terminal. Pacific shall not characterize or consider work on these cross-connects to be installation of registered jacks, and shall not charge customers for such work.

Findings of Fact

1. The Commission deregulated registered telephone jacks on the customer side of the "demarcation point" effective August 8, 1993.
2. Before the effective date of the decision effectuating that change, Pacific did not delete references to the jacks from its tariffs.
3. On June 25, 1993, Pacific filed Advice Letter No. 16611, effective August 8, 1993, to delete the jacks from its tariffs.
4. DRA, now ORA, objected to the use of an advice letter to effectuate the deletion of references to jacks in Pacific's tariffs, and argued that the change should be made by order of the Commission based on an application by Pacific.
5. On July 22, 1993, Pacific withdrew its advice letter.
6. By this application, Pacific requests an order detariffing the registered jacks.

Conclusions of Law

1. Detariffing of registered jacks was permitted by the Commission effective August 8, 1993.

2. Pacific's application should be granted.
3. To promote competition, this order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. Pacific Bell's (Pacific) application to detariff registered jacks is granted. Irrespective of this ruling, we wish to note that Decision 97-11-029 finds Pacific responsible for all work on the cross-connects between the utility's network access terminal and the building owner's entrance terminal. Pacific shall not characterize or consider work on these cross-connects to be installation of registered jacks.
2. Within 10 days, Pacific is to file new tariff schedules effectuating the changes authorized by this order.
3. Application 97-07-053 is closed.

This order is effective today.

Dated May 21, 1998, at San Francisco, California.

RICHARD A. BILAS
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners