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RESOLUTION NO. T-11054

EVALUATION AND COMPLIANCE
DIVISION

DATE: August 6, 1986

R E S O L U T I O N

____ Director
____ Numerical File
____ Alphabetical File
____ Accounting Officer

SUBJECT: Pacific Bell. Order authorizing the withdrawal of Series 5000 Telpak channels and Services. Resolution No. T-11054.

WHEREAS: PACIFIC BELL, by Advice Letter No. 15111, filed June 25, 1986, requests authority under Section 454 of the Public Utilities Code to make effective the following tariff revisions:

To withdraw Series 5000 channel Telpak offering.

Pacific's Series 5000 Telpak service is a discount plan for large volume private line users. The average discount is 5.3% off the private line rates. The offering has been limited to existing customers at the existing service configuration, since December 1982. Telpak service has 149 billing accounts with 333 circuits, down 53% in the last year. This downward trend is expected to continue as customers move or as their communication needs change. Pacific is requesting the discontinuance of this service offering primarily because its costs to provide Telpak service exceeds the revenue received. All existing Telpak services will automatically be converted to individual Private Line Services of the same type and grade.

AT&T provided Telpak service in California until recently. Its interstate Telpak offering was withdrawn in 1981. The Commission in Decision 84-12-040, authorized AT&T to discontinue its interLATA Telpak offering in January 1986.

In summary, Pacific is discounting its series 5000 channels at less than cost to a small group of large volume customers. The conversion to private line pricing would result in an annual increase in revenue of approximately \$365,544. Present customers generate \$6,825,000 annual revenue.

Staff recommends granting the proposed withdrawal of series 5000 Telpak channels and Services for the following reasons:

1. The service is offered below Pacific's cost
2. Existing customers will continue to receive the same type of service except without the discount.
3. The alternative to authorizing withdrawal of Telpak service is for the general body of ratepayers to continue to subsidize a small number of private line customers.

Customer notification of Pacific's plan to withdraw its Telpak service was sent concurrent with this filing. Concurring local exchange carriers were notified on May 1, 1986. To date no protest letters have been received.

The Commission finds that the withdrawal of the Series 5000 Telpak channels and Services offering is reasonable and present rates, charges and conditions, as they differ from the rates, charges and conditions authorized in this Resolution are for the future unjust and unreasonable; and good cause appearing,

IT IS ORDERED that:

(1) Authority is granted to make the above revisions effective on August 8, 1986.

(2) All tariff sheets filed under Advice Letter 15111 shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission of the State of California No. T-11054.

The effective date of this Resolution is today.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the Public Utilities Commission of the State of California, held on August 6, 1986 the following Commissioners voting favorably thereon:

DONALD VIAL
President
VICTOR GALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
STANLEY W. HULETT
Commissioners



Executive Director