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to Executive Director

RESOLUTION NO. T-11057

EVALUATION AND COMPLIANCE
DIVISION

DATE: August 6, 1986

RESOLUTION_____
Director_____
Numerical File_____
Alphabetical File_____
Accounting Officer

SUBJECT: Pacific Bell. Order authorizing the establishment of Number Referral Service. The utility estimates that this new offering will contribute approximately \$2.5 million in revenues in 1986. Resolution No. T-11057.

WHEREAS: PACIFIC BELL, by Advice Letter No. 15114 filed July 8, 1986, requests authority under Section 454 of the Public Utilities Code to make effective tariff revisions establishing Number Referral Service.

BACKGROUND

Number referral service is an optional utility provided service that intercepts calls to a number which is no longer in service, and provides the caller with information which may include the called number, why the call was not connected, and what can be done to reach the called party. Pacific currently provides all its customers this non-tariffed service for their primary numbers free of charge.

Currently, there are two options offered universally at no charge to business and residence customers at the time of disconnection.

- (1) Basic Referral Service, which provides an automatic operator recorded announcement with the status of the called number and information on how to reach the called party. This service is provided for customers' Primary Numbers only (the telephone number for which a separate bill is rendered). The current periods for Basic Referral Service for Primary Numbers are 12 months or until the next next directory print date (whichever is longer) for business and 3 months for residence.
- (2) No Referral Service, which provides a recorded announcement which states that the called number has been disconnected. No further information is provided.

Advice Letter No. 15114

In Advice Letter No. 15114 Pacific Bell made a firm commitment to continue to offer at no charge the two options as discussed above to all its business and residence customers. The utility merely proposes to add enhancements to the offering and include it in the tariffs under the title Number Referral Service. These enhancements are designed to meet specialized demands and will be provided only to those who would be willing to pay for the service. Thus, in addition to the two options (mentioned earlier) currently offered to all customers at no charge, Pacific's proposed Number Referral Service tariff includes:

A. Basic Referral Service

- (1) All residence customers who wish to extend Basic Referral Service beyond the free initial 3-month period may do so and will be charged \$12.50 per Primary Number for each additional 3-month period and all business customers requesting the same service will be charged \$15.00 per Primary Number for each additional month beyond the free initial 12-month period.
- (2) All residence customers who wish to receive Basic Referral Service for their Additional Numbers may do so and will be charged \$12.50 per Additional Number for each 3-month period of service. All business customers who wish to receive Basic Referral Service for their Additional Numbers may do so and will be charged \$15.00 per Additional Number for each 1-month period of service. ^{1/} Additional Numbers are telephone numbers for which a separate bill is not rendered, for example secondary lines that residence customers subscribe to for their children's use.

B. OPERATOR REFERRAL SERVICE

All residence and business customers who wish to receive Operator Referral Service for either their Primary or Additional Numbers may now do so under the following rates:

- (1) Residence customers will be charged \$35.00 per line for each 3-month period of this service.
- (2) Business customers will be charged \$45.00 per line for each 1-month period.

^{1/} For Centrex, only the Primary Number (in this case, the listed number) is offered Basic Referral Service. Sectional billed accounts in the Centrex System are excluded from any utility referral service. For Direct Inward Dialing Service (DID) only the Primary Number (listed number) is offered Basic Referral Service. Any separate billed lines from the primary listed number are excluded from any utility service. Working Centrex and DID numbers use four or five digit translation. The Automatic Intercept System requires the full seven digit telephone number. Seven digit translation can only be accomplished on Centrex and DID numbers when they are not associated with a working system.

This service involves live operator-handled referrals that could prove useful for those undergoing housemate or partner separations. Basic Referral Service, which utilizes an automatic recording, does not have the capability of asking callers who reach disconnected numbers which particular individual they wish to talk with and then refer them to the proper listing. Under Operator Referral Service up to 5 new referral listings per disconnected number may be provided, which may include names, addresses, and telephone numbers. Being labor-intensive, this enhanced service costs approximately 7 times more than the cost of providing Basic Referral Service.

Number Referral Service will be provided upon customer request. Only customers requesting this service after the effective date of this Advice Letter will be charged. To date no protest letters have been received. Customer notification will be provided via bill insert.

Following is a summary of the proposed rates:

<u>RESIDENCE SERVICE</u>	<u>Charge</u>
<u>Basic Referral Service</u>	
<u>Primary Number</u>	
- first 3 month period	NO
- each additional 3 month period	\$12.50
<u>Additional Numbers</u>	
- first and additional 3 month periods, each	12.50
<u>Operator Referral Service</u>	
<u>Primary Number</u>	
- first and additional 3 month periods, each	35.00
<u>Additional Numbers</u>	
- first and additional 3 month periods, each	35.00
<u>BUSINESS SERVICE</u>	
<u>Basic Referral Service</u>	
<u>Primary Number</u>	
- first month	NO
- each month up to 12 months or new directory issue date, whichever is longer	NO
- each month beyond 12 months or new directory issue date, whichever is longer	15.00
<u>Additional Numbers</u>	
- first and additional months, each	15.00
<u>Operator Referral Service</u>	
<u>Primary Number</u>	
- first and additional months, each	45.00
<u>Additional Numbers</u>	
- first and additional months, each	45.00

It should be noted that Pacific Bell has occasionally provided Basic Referral Service for customers' Additional Numbers, Basic Referral Service beyond the normal periods for customers' Primary Numbers and some form of operator-handled referrals. These enhanced services are not offered universally to customers and Pacific Bell has provided these services only when it has determined, based on the service representative's discretion, that customers have convincingly demonstrated the need for the enhanced services. This policy exists to address what the utility determines to be a "legitimate" customer need, while reasonably controlling the cost of providing specialized referrals at no charge. Consequently, not all customers who request these specialized services receive it, even though they would be willing to pay for the service Pacific believes that as a customer service, the demands of these customers should be met. The utility does not wish to stay in the position of judging, somewhat arbitrarily at times, which customer demands are "legitimate" and which are not.

Discussion

We believe that Advice Letter No. 15114 is reasonable for several reasons. It recognizes that number referral is a necessary and "basic" service for which the general ratepayers have entitlement concerns. Basic Referral Service for Primary Numbers is therefore being offered at no charge for a reasonable period of time. It provides charges only for the specialized services which customers wish to have: Basic Referral Service for more than three months or an on Additional Numbers and for Operator Referral Service. In principle, these specialized services meet specialized customer demands and should not be subsidized by the general body of ratepayers. Furthermore, Advice Letter No. 15114 would require Pacific Bell to meet these specialized demands across the board indiscriminantly. The utility's current practice of operator-handled referrals and Basic Referral Service for Additional Numbers only to those who in its opinion, convincingly demonstrate actual need/hardship is not equitable or fair. By expanding referral services to meet specialized demands available to all customers -- albeit at a charge -- the utility will not be in a position to judge somewhat arbitrarily which customers actually "need" these specialized services before they are provided. This proposed service offering will therefore minimize the inequitable treatment of customers requesting specialized services.

Pacific Bell estimates that the provision of number referral services at no charge to its customers in 1985 cost approximately \$14.8 million. The utility estimates it will collect approximately \$2.5 million in billed revenues from this new tariffed offering in the remaining 5 months of 1986.

The Commission finds that the rates, charges and conditions authorized in this Resolution are just and 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) Pacific Bell is granted the authority to make effective tariff revisions establishing Number Referral Service as discussed supra on August 8, 1986.

(2) Schedule Cal. P.U.C. No. A5, Original Sheet 525.1, 525.2, 525.3, and 525.4 shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission of the State of California No. T-11057.

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:



Executive Director

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