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RESOLUTION NO. T-11096

EVALUATION AND COMPLIANCE
DIVISION

DATE: January 28, 1986

R E S O L U T I O N_____
Director_____
Numerical File_____
Alphabetical File_____
Accounting Officer

SUBJECT: Pacific Bell. Order authorizing change in definitions in Tariff 175-T (Access Service): 1) Termination Charge to include applicability and method of calculation and 2) "Individual Case Basis" to include the possibility of a termination charge Resolution No. T-11096.

WHEREAS: PACIFIC BELL, by Advice Letter No. 15210, filed January 2, 1987, requests authority under Section 454 of the Public Utilities Code to make effective the following tariff revisions:

Change the definition of "Termination Charge" to include the applicability and method of computation.

Add to the definition of "Individual Case Basis" the possibility of a termination charge.

Termination Charge denotes a charge that is applicable should a customer discontinue a service provided under contract in the tariffs. It covers the amount of investment cost not covered by the installation (or non-recurring) charge, which is included in the monthly recurring rates. The charge is computed at the time of discontinuance by multiplying the investment cost minus installation charge times the ratio of the number of monthly payments remaining to the number of months in the contract.

The present wording in the Access Service tariffs (175-T) does not allow Pacific Bell legal recourse to recover all the investment dollars spent in the event of early disconnect by the customer. Providing services such as Special Service or Arrangement, Special Construction, and services developed on an Individual Case Basis requires large investments by Pacific Bell, which are recovered in the monthly rate spread over the customer's forecasted needs for such service. The Termination Charge would allow recovery of Pacific Bell's investment in the case of early disconnect. Thereby the general body of ratepayers is protected from bearing the possible loss.

Termination charges are found elsewhere in Pacific's tariffs, such as in B3 (Channels) and 175-T, section 15 (Special Construction). The proposed inclusion of Basic Termination Charge would allow termination charges, where applicable, to all sections in the 175-T Access Tariff.

At present there are no customers effected. Notification of the termination charge for future customers will be at the time of contract negotiations.

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) Authority is granted to make the above revisions effective on February 2, 1987.

(2) Schedule Cal P.U.C. No. 175-T, 3rd Revised Sheet 81 and 2nd Revised Sheet 88-A shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission of the State of California No. T-11096.

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 January 28, 1987 the following Commissioners voting favorably thereon:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
Commissioners



Executive Director