

Copy for:

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to Executive Director

RESOLUTION NO. T-12001

EVALUATION AND COMPLIANCE
DIVISION

DATE: February 11, 1987

R E S O L U T I O N

Director

Numerical File

Alphabetical File

Accounting Officer

SUBJECT: PACIFIC BELL. Order requiring Pacific Bell to implement itemized billing for residence customers, as specified in this Resolution, in compliance with Ordering Paragraph 4 of Decision 86-08-026. Resolution No. T-12001.

WHEREAS: PACIFIC BELL, by Advice Letter No. 15161 filed September 22, 1986, Advice Letter 15161 First Supplement filed December 23, 1986, Advice Letter 15161 Second Supplement filed January 16, 1987, and Advice Letter 15161 Third Supplement filed February 3, 1987, requests authority under Section 454 of the Public Utilities Code to make effective on March 1, 1987 the following tariff revisions:

In compliance with Ordering Paragraph 4 of Decision 86-08-026 Pacific Bell proposes to provide its residence customers monthly bills which itemize the recurring and nonrecurring rates and charges incurred. These itemized bills will specify for residence customers all the services to which they subscribe and all the rates and/or charges applicable for each service. The service descriptions, rates and charges used in the bills will be consistent with the effective tariffs of the utility.

In accordance with the discussion on Page 13 of Decision 86-08-026, Pacific Bell served copies of Advice Letter No. 15161 to all members of the workshop who participated in the development of the utility's Customer Notification and Refund Plan (which was in response to the Commission's investigation into the utility's marketing practices). On September 23, 1986 E & C Staff also sent all workshop participants a request for comments with regard to Advice Letter 15161 (which was enclosed with the staff's memorandum). Four of the workshop participants responded verbally to E & C Staff's request for comments. None responded formally in writing.

Of those who responded, Public Staff issued a "No Comment". The Public Advisor's Office indicated the utility's original proposal as expressed in Advice Letter 15161, and shown here as Appendix 3 and Appendix 4, was an acceptable alternative to the current residence bills (see Appendix 1 and Appendix 2).

Public Advocates and the Consumer Affairs Branch, along with the E & C Staff, suggested several modifications to Pacific Bell's original proposal. The suggested modifications generally consisted of format, category and language changes. Concern was also expressed over whether residence customers who subscribe to any of the utility's "Call Bonus" plans should be notified on a regular basis as to whether, based on their actual usage, they benefit from such plans. Additionally concern was expressed over the need to provide business customers with some form of itemized billing. E & C Staff and the Consumer Affairs Branch met with Pacific Bell representatives several times to discuss suggested modifications to the utility's original proposal. As a result of these discussions, Pacific Bell filed two supplements to Advice Letter 15161.

Advice Letter 15161 First Supplement incorporates several of the format, category and language changes suggested by Public Advocates, the Consumer Affairs Branch and E & C Staff. Appendix 5, 6 and 7 illustrates these changes. Perhaps the most significant change that was made to the utility's original proposal is the explicit categorical distinction between "Basic Services" and "Optional Services". We believe these changes add to the understandability of residence bills and are within the intent and spirit of Decision 86-08-026.

For the purpose of this filing only, Pacific Bell asks the Commission for authorization to include, on an interim basis, Foreign Exchange Service monthly charges under "Basic Services" and Foreign Exchange Service mileage charges under "Optional Services" (see Appendix 7). Technical manipulations to the utility's billing system need to be made in order to include both charges under "Optional Services", and Pacific Bell will file another Advice Letter during the second quarter of 1987 to effect this change. We recognize this may cause some confusion among the utility's foreign exchange customers during the interim period. However, we believe it is important at this time to proceed with the plan to itemize customers' bills.

With regard to its business customers, Pacific Bell will develop an alternate plan itemizing business services in customers' bills. The utility will submit a report to the E & C Staff by April 1, 1987 specifying the details of this plan.

In Advice Letter 15161 Second Supplement Pacific Bell proposes to study the need for informing residence customers who subscribe to any of the "Call Bonus" plans whether or not they benefit from the plans based on their actual toll usage patterns. Pacific Bell proposes to provide E & C Staff with quarterly reports beginning April 1, 1987 as to the status of this needs assessment study.

Pacific Bell estimates the one-time development cost for residence itemized billing is \$56,000. The utility estimates the total monthly recurring incremental cost (additional paper & postage) for residence itemized billing is \$146,000. This cost to Pacific to provide ;

itemized billing should be considered as part of the 2.2 million allowed in Decision 86-01-026 (mimeo pp 149-150) to educate its customers about changes in the telecommunications industry and to reduce the overall level of customer confusion triggered by divestiture. We believe itemized billing is intended to educate residence customers about the telecommunications services they receive, and should be considered as part of this adopted amount.

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) Effective March 1, 1987, Pacific Bell shall provide itemized billing for its residence customers as specified in the body of this resolution and as illustrated on Appendix 5, Appendix 6 and Appendix 7 of this resolution.

(2) On an interim basis Pacific Bell is authorized to include Foreign Exchange Service monthly charges under "Basic Services" and Foreign Exchange Service mileage charges under "Optional Services". The utility shall file with the Commission another Advice Letter no later than June 30, 1987 which will effectively include both Foreign Exchange Service charges under the category "Optional Services".

(3) Pacific Bell shall fund the cost of residence itemized billing from its Account 642 Expense which was authorized by the Commission in D.86-01-026

(4) Pacific Bell shall submit a report to the E & C Staff no later than April 1, 1987 specifying in detail its plans to implement itemized billing for its business customers.

(5) Pacific Bell shall submit quarterly reports to the E & C staff beginning April 1, 1987 outlining the status of its study assessing the need for its "Call Bonus" customers to be notified of whether or not they benefit from their plans.

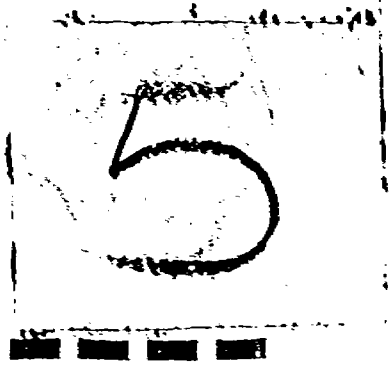
The effective date of this Resolution is today.

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 February 11, 1987, the following Commissioners voting favorably thereon:



Executive Director

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

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APPENDIX 2

CURRENT BILL

Account No. 415 542-9999 999 N Page 2
Statement Date Sep 16, 1986

Other Charges and Credits	Item	Charge
	1	Charge to Connect on Sep 9, 1986 Special Calling Plan(s) 4.75 Per Month 1.35
	2	Charge to Connect on Sep 9, 1986 Custom Calling Feature(s) 6.00 Per Month 1.80
	Other Charges and Credits Subtotal 3.15	

APPENDIX 3

FIRST AND ORIGINAL PROPOSAL

Account No.	Statement Date	Charge
415 542-9999 999 N	Jan 10, 1986	
Monthly Charges and Credits	Its	
	1 Flat Rate Service	8.25
	1 Touchtone Service	1.20
	1 Unlisted Telephone Number	.30
	1 CALL BONUS Community Wide Area	4.75
	1 Calling Plan	
	1 Call Waiting/Three-way Calling/Speed Calling	8.00
	1 Monthly Service Jan 10, 1986 to Feb 9, 1986	22.50
	2 Charges for Network Access for Interstate Calling, Imposed by Federal Communications Commission	2.00
	3 Rate Surcharge	1.40
	4 State Regulatory Fee	1.25
	5 Communication Devices Funds for Deaf and Disabled	.03
	6 Tax: Fed: 1.27 9111 .02 Local: 21	1.50
	7 Late Charge on \$50.14 Unpaid by Dec 18, 1985	.75
	8 Late Charge on \$147.38 Unpaid by Jan 10, 1986	2.21
	Monthly Charges and Credits Subtotal	31.64
Total	1 Pacific Bell Current Charges	\$31.64

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APPENDIX 4

FIRST AND ORIGINAL PROPOSAL

Account No. 415 542-9999 999 N		Page 2
Statement Date Sep 16, 1986		
Other Charges and Credits	Item	Charge
1	Charge to Connect on Sep 9, 1986 CALL BONUS Community Wide Area Calling Plan 4.75 Per Month	1.35
2	Charge to Connect on Sep 9, 1986 Call Waiting/Three-way Calling 6.00 Per Month	1.80
Other Charges and Credits Subtotal		3.15

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APPENDIX 5

SECOND AND FINAL PROPOSAL

PACIFIC BELL
A Pacific Telesis Company

Account Number 415 436-XXXX 999 N 1

Page 2

Statement Date Sep 10, 1986

Regulated Monthly Charges	Item	Charge
	Basic Service	
	1 Flat Rate Service	8.25
	Optional Service(s)	
	1 Touchtone Service	1.20
	1 Unlisted Telephone Service	.30
	1 CALL BONUS	
	Wide Area Calling Plan	4.75
	1 Call Waiting, 3-Way Calling & Speed Calling 8	8.00
	1 Total Monthly Service(s) Sep 10, 1986 thru Oct 9, 1986	22.50
	2 Charges for Network Access for Interstate Calling, Imposed by Federal Communications Commission	2.00
	3 Rate Surcharge	1.40
	4 State Regulatory Fee	1.25
	5 Communication Devices Funds for Deaf and Disabled	.03
	6 Tax: Fed: 1.27 911: .02 Local: .21	1.50
	7 Late Charge on \$50.14 Unpaid by Aug 10, 1986	.75
	Regulated Monthly Charges	\$29.43
Total	Pacific Bell Current Charges	XX.XX

APPENDIX 6

SECOND AND FINAL PROPOSAL

PACIFIC BELL.
A Pacific Telesis Company

Account Number 415 436-XXXX 999 N 8

Page 1

Statement Date Sep 10, 1986

Regulated Other Charges and Credits	Item	Charge
	1 Charge for Service Added From Aug 30, 1986 thru Sep 9, 1986 1 CALL BONUS Wide Area Calling Plan @ 4.75 Per Month	1.74
	2 Charge for Service Added From Aug 30, 1985 thru Sep 9, 1986 1 Call Waiting, 3-Way Calling & Speed Calling 8	2.93
	3 Charge to Connect on Aug 30, 1986 1 CALL BONUS Wide Area Calling Plan	5.00
	4 Charge to Connect on Aug 30, 1986 1 Call Waiting, 3-Way Calling & Speed Calling 8	5.00
	Regulated Other Charges and Credits Subtotal	\$14.67

APPENDIX 7

SECOND AND FINAL PROPOSAL

PACIFIC * BELL.
A Pacific Telesis Company

Account Number 415 763-XXXX 999 N 1
Statement Date Oct 25, 1986

Page X

Regulated Monthly Charges and Credits	Item	Charge
	Basic Service	
	1 Measured Rate Foreign Exchange Service	X.XX
	Optional Service(s)	
	4 Foreign Exchange Mileage	X.XX
	1 Touchtone Service	X.XX
	7 Total Monthly Service(s) Oct 25, 1986 thru Nov 24, 1986	X.XX
	8 Charges for Network Access for Interstate Calling, Imposed by Federal Communications Commission	X.XX
	9 Rate Surcharge	X.XX
	10 State Regulatory Fee	.XX
	11 Communication Devices Funds for Deaf and Disabled	.XX
	12 Tax: Fed: .XX 911: .XX Local: .XX	X.XX
	Regulated Monthly Charges and Credits Subtotal	\$XX.XX

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