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RESOLUTION NO. T-12008

EVALUATION AND COMPLIANCE
DIVISION

DATE: March 6, 1987

R E S O L U T I O N

____ Director
____ Numerical File
____ Alphabetical File
____ Accounting Officer

SUBJECT: Pacific Bell. Order authorizing a contract to provide Fiber Optic Transmission System to the International Business Machines Corporation (IBM). Resolution No. T-12008.

WHEREAS: PACIFIC BELL, by letter dated June 27, 1986, pursuant to Section 532 of the Public Utilities Code, Section X-A of General Order No. 96-A and Resolution T-4886, requests authority to enter into a contractual agreement with the International Business Machines Corporation (IBM).

Under the terms of the agreement Pacific will provide a Fiber Optic Transmission System to link two International Business Machines Corporation (IBM) locations in San Jose, with a transmission rate of 13.5 megabits per second.

IBM requested Pacific to provide the fiber optic transmission system with certain unique items and features and under terms and conditions which are not set forth in the tariffs. Because of the non-standard service arrangements, not suitable for a standard tariff, and the request of the customer, Pacific proposes to provide this service under a contractual agreement.

Under a five year contract IBM will pay a non-recurring charge of \$31,000 and a monthly rate of \$7,750 for this service. The revenue to cost ratio for this project is 1.21. This means that there will be a revenue contribution of 21% over and above Pacific's cost, which includes a return on its investment at the authorized rate.

The Commission finds that the rates, charges and conditions authorized in this Resolution are just and reasonable; and good cause appearing,

IT IS ORDERED that:

(1) Authority is granted to make the above agreement effective on March 7, 1987.

(2) The agreement authorized herein shall be marked to show that such agreement was authorized under Resolution of the Public Utilities Commission of the State of California No. T-12008.

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 March 6, 1987, the following Commissioners voting favorable thereon:



Executive Director

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