

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12023
May 13, 1987

R E S O L U T I O N

PACIFIC BELL. ORDER AUTHORIZING THE OFFERING OF TWENTY-FIVE NEW CENTREX SERVICE FEATURES FOR CENTREX SERVICE SERVED FROM CENTRAL OFFICES EQUIPPED WITH NORTHERN TELECOM DNS-100 DIGITAL SWITCHES. ADVICE LETTER NUMBER 15243, RESOLUTION NUMBER T-12023.

SUMMARY

PACIFIC BELL, by Advice Letter No. 15243, dated April 20, 1987, requests authority under Section 454 of the Public Utilities Code and General Order No. 96-A, Section VI to offer twenty-five new Centrex features for Centrex service provisioned from central offices equipped with DNS-100 switches.

Ordinarily new offerings do not require Commission Resolution. However, this request includes seven features which were included in the submitted rate design portion of Pacific Bell's rate case (A.85-01-034). Five of these seven features (see Attachment 1), however, are at rates higher than those proposed in the rate case.

A recent new central office cost allocation model developed by Bell Communications Research (Bellicore) indicates that the rates for five of the seven features in the rate case are below cost or very near cost, requiring possible subsidies by the general ratepayer to make up any shortfall from Pacific Bell's expected rate case annual revenue of \$121,908 if Pacific Bell's forecasts turn out to be too optimistic.

This Resolution authorizes Pacific Bell to offer the new Centrex features at the rates shown in the advice letter. It also directs the Administrative Law Judge to take into consideration these new rates. The rates in the rate case would produce annual revenues of \$121,908 from the provision of these seven features. The rates in this advice letter will produce an annual revenue of \$180,810 from the offering of these same seven features, resulting in a \$58,932 annual revenue increase.

All interested parties to the Pacific Bell general rate case proceeding were notified. No protests were received.

BACKGROUND

Centrex is a central office switching system usually used by businesses, and which competes with customer premises equipment such as private branch exchanges (PBXs). Pacific Bell proposes to offer twenty-five new centrex features in order to remain competitive with other state of the art switching systems. By providing these features under tariff Pacific will also have the ability to offer these services to its centrex customers on a timely basis, instead of having to negotiate individual contracts with each centrex customer who desires these services.

This offering includes seven features which were included in Pacific Bell's 1986 rate application (A. 85-01-034, see attachment 1). Pacific Bell would like the rates in this offering to replace the rates included in A. 85-01-034. The decision on Phase II-Rate Design of that application is expected in mid-1987. Pacific Bell proposes to raise the price of five of the seven features because of more recent cost data.

The more recent data, calculated using BellCore's Switching Cost Information System (SCIS) model, has resulted in higher costs for some of these features. The reason for this discrepancy is that the costs included in A. 85-01-034 were approximations, which were not priced using the computerized SCIS model. Since then, Northern Telecom, the manufacturer of the DNS-100 switch, has changed some of its discount factors (such as material discount factors), and changes have been made in the processing time required for some features. The SCIS model reflects these changes.

Pacific Bell estimates an increase in revenue of \$12,203,000 over the next three years resulting from this offering. The first year revenue effect will be \$2,972,500 for those new customers who will subscribe to these new features. The seven features in the rate case, with the adoption of the rates in this offering, will produce additional revenue of \$58,932 above and beyond the revenue forecasted using the rate case rates.

Several prospective customers have signed contracts with Pacific Bell to obtain certain centrex features, pending Commission approval. The authorization of this advice letter will eliminate the need to approve these individual contracts for these centrex features. These prospective customers will be notified by Pacific Bell in the week following the approval of this resolution.

Centrex customers served by DNS-100 central offices will be notified through direct customer contact by the premises sales force and business office service representatives. No blanket customer mailings or media advertising will be utilized. A copy of this advice letter has been mailed to interested parties reflected in the

rate design service list of A.85-01-034.

FINDINGS

We find that the rates, charges and conditions authorized in this Resolution are just and reasonable.

IT IS ORDERED that:

- (1) Authority is granted to make the above offering effective on May 31, 1987.
 - (2) All tariff sheets filed under Advice Letter No. 15243 shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission of the State of California No. T-12023.
 - (3) The Administrative Law Judge for the Pacific Bell rate case (A.85-01-034) is directed to take into consideration the change in rates for the centrex features shown in Section I of Attachment 1 in the rate design decision.
- (4) The effective date of this resolution is May 13, 1987.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 13, 1987. The following Commissioners approved it:

STANLEY W. HULETT
 President
 DONALD VIAL
 JOHN B. OHANIAN
 Commissioners

Commissioner Frederick R. Duda being necessarily absent, did not participate.



Executive Director

Commissioner G. Mitchell Wilk being necessarily absent, did not participate.

ATTACHMENT 1

I. Features common to the 1986 rate case and this advice letter:

Feature	Proposed Monthly Rate	Monthly Rate 1986 Rate Case
Call Park	0.75	0.50
Centrex Direct Connect	1.00	1.00
Executive Busy Override	0.50	0.50
Speed Call Individual- 10 Numbers	1.50	1.00
Speed Call Group 30 Numbers	1.70	1.00
Speed Call Group 50 Numbers	1.85	1.00
Speed Call Group 70 Numbers	2.00	1.00

II. New features in this advice letter which are not in the 1986 rate case:

Feature	Monthly Rate
Automatic Answerback†	0.50
Automatic Dial†	0.50
Executive Busy Override/Exempt	0.50
Feature Display†	2.00
Group Intercom	3.25
Intercom†	1.50
Last Number Redial	0.50
Make Set Busy	0.50
Network Speed Call	1.50
Privacy Release†	0.50
Query Time and Day†	0.50
Six Port Conference	2.00
Speed Call 30	1.50
Speed Call 50	1.65
Speed Call 70	1.80
Virtual Directory Number-Multiple Appearance†	2.00
Virtual Directory Number-Primary†	5.00

III. In order to use the electronic telephone features, a "C line card" must be used in the central office. The charge for this line card is \$2 per month.

†These are the electronic telephone features.

ATTACHMENT 2

CENTREX FEATURES DEFINITIONS

Automatic Answer Back

Allows any in-coming call to the primary Directory Number of the set to be automatically answered after four seconds. Conversation takes place through a hands-free unit. When the calling party hangs up, the call is automatically disconnected.

Automatic Dial

Allows any frequently called number to be dialed by depressing feature keys assigned Automatic Dialing. More than one key can be assigned to this feature.

Call Park

Allows a Centrex station to park a call against its own directory number. The call may then be retrieved from another station.

Centrex Direct Connect (Automatic Line)

Allows Centrex station lines to automatically place a call to a preassigned call number when the station user goes off-hook. The direct connect station receives calls normally. This pre-assigned number need not be within the same switch.

Electronic Telephone Features Package

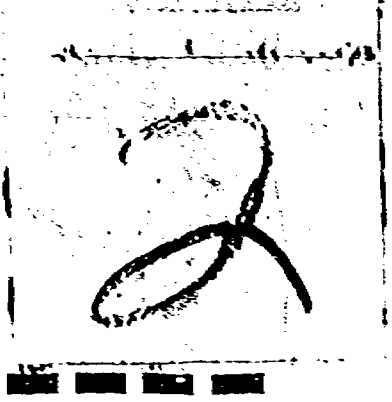
An enhancement to Centrex served from the DMS-100 central office. For customers using the Northern Telecom Integrated Business Network (IBN) set, or its equivalent, this offering will permit utilization of eight proposed features. The remaining proposed features can be utilized with any compatible customer provided telephone instrument.

Executive Busy Override (EBO)

Allows a Centrex station to gain access to another busy Centrex station by depressing the EBO key. The EBO feature applies to all Directory Numbers (DN) on the electronic set. EBO can be active on one or more DN's on a set at any instant. No lamp is associated with the EBO key. The called station receives a warning tone then the connection is complete via three way call. The originator and the terminator must be in the same Centrex. Two line options must be assigned to the originator: Executive Busy Override and Executive Busy Override Exempted.

Executive Busy Override/Exempt

Provides the user the option of not allowing other stations to interrupt via the Executive Busy Override feature.

THE NEXT 
DOCUMENTS
ARE POOR
ORIGINALS

MICROFILMING SERVICES
WILL NOT ASSUME
RESPONSIBILITY FOR THE
IMAGE QUALITY

Feature Display(Called and Calling Number)

When equipped with the optional alphanumeric telephone, this feature provides the user with visual feedback concerning the called/calling number during origination, termination, feature activation and programming operations. The customer must specify through Datafill whether incoming inter-customer group calls will be displayed. If no selection is made, the default will not display inter-customer group calls.

Group Intercom

Enables a station user to terminate, using abbreviated dialing, on a member of a pre-designated group. The group size can be from 10 to 10,000 members. The station can have multiple groups, however, each group must be represented by it's own feature key or single set.

Integrated Business Network (IBN)

The centrex service obtained using Northern Telecom's Electronic Telephone Features and Northern Telecom's Integrated Business Network set or its equivalent.

Intercom

Allows the user to directly terminate on a pre-designated set by depressing the intercom key of the Centrex Set.

Last Number Redial

Enables a station user to redial the last called number by depressing a single key rather than redialing the entire number.

Make Set Busy

Allows Directory Number (DN) appearances, excluding private business lines and multiple access directory number group members, and call terminations, such as call waiting calls and busy override, on a business set to be made busy to incoming calls. While this feature is active on a station all incoming calls to DN appearances affected by the feature receive either busy tone or announcement. Since this feature affects only incoming calls, the station is still free to originate calls.

Network Speed Calling

Each DMS-100 switch will provide at least 1000 Network Speed Call numbers which can be assigned both on-net and off-net numbers defined by the customer thorough data fill. The DMS-100 will support a mixture of two and three digit speed numbers plus access code.

Privacy Release

Used to establish a conference call among multiple addressed directory number single call arrangement members and an external party. Privacy release is only allowed when the external party is not the attendant or operator and the call has progressed to

the talking stage.

Query Time and Day

Provides the current time and date on a station set display. Time is displayed using a 24 hour clock format, and date is displayed by year, month, and day.

Speed Calling

Permits the user to place calls to a previously designated list of frequently called numbers. With group speed calling, each member of the group has the same list of frequently called numbers. With individual speed calling, each user can have a different list. Group speed calling requires at least two stations.

Station Conference Six-Port

This feature allows a set with the conferenced key assigned to establish a conference call of up to six parties. Any of the other parties may be external to the switch. Attendant help is not needed, and the station user establishes a conference call by successively dialing the individual parties and adding them to the call. The user has direct control over conference progress.

Virtual Directory Number-Multiple (MADN)

A Centrex station Number that is assigned to more than one Centrex set is called a Multiple Appearance Directory Number. The Centrex sets that are assigned the same Centrex station number are known as a MADN group. MADN groups can be composed of up to sixteen stations and configured in either Single Call Arrangement or Multiple Call Arrangement.

-Single Call Arrangement allows only one station to be active, either originating or terminating, on the MADN at any given time.

-Multiple Call Arrangement allows more than one station in the MADN group to be active simultaneously.

Virtual Directory Number-Primary (VDN-P)

Allows the Centrex subscriber the appearance of a plain old telephone service (POTS) line as one of the directory number keys on the set. The VDN-P has a POTS dialing plan. The features assigned to the integrated business network business set are not available to the VDR-P.