

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12026
May 29, 1987

R E S O L U T I O N

PACIFIC BELL. ORDER AUTHORIZING REVISION OF SCHEDULE CAL.
P.U.C. NO. 175-T, SECTION 8, BILLING AND COLLECTION SERVICES,
TO UNBUNDLE INQUIRY SERVICE FROM BILL PROCESSING SERVICE.

SUMMARY

This resolution authorizes Pacific Bell (Pacific) to offer Interexchange Carriers (IEC) Inquiry Service (the handling of customers' questions concerning telephone call details and charges appearing on their long distance telephone bills) as a separate (unbundled) service from its Bill Processing Service. Previously, IEC's could only obtain inquiry services by ordering Bill Processing Service which is offered on a 1, 3 or 5 year contractual basis. Unbundling of Inquiry Service results in a slight rate increase in several of the rate categories and therefore requires Commission approval. Unbundling of Inquiry Service and the other revisions in Billing and Collection Services presented in Advice Letter No. 15247, allows Pacific to respond to the demands of a competitive market for Billing and Collection Services. The proposed rates are more than compensatory.

BACKGROUND

Pacific filed Advice Letter No. 15247 on April 27, 1987, requesting authority under Section 454 of the Public Utilities Code to make effective the following tariff revisions:

- ‡ Unbundle Inquiry Service
- ‡ Make modifications to simplify tariff language
- ‡ Create additional categories for charging Billing and Collection services
- ‡ Set up separate labor rates for project and program development.

At the time of Divestiture, Pacific Bell was required to provide Billing and Collection Services for A.T.& T.-Communications(AT&T). These services included recording message details for calls made

over AT&T's system, rating the calls as to time of day and length, processing bills and handling customer inquiries concerning the bills. Pacific expanded its facilities to provide this service for AT&T and other carriers that requested it. AT&T now plans to handle its own billing and collection services and will withdraw from Pacific's services over the next few years. Pacific wants to unbundle these optional services and offer them to other IECs at competitive rates in order to maximize the use of the billing and collection facilities now in place.

The "unbundling" of Inquiry Service from Bill Processing Service, will allow a potential customer to purchase Inquiry Service as a separate product. Pacific's tariffs offer each billing and collection service for one year, three year, or five year periods, with more favorable rates for the longer contracts. For example with the unbundled services, an IEC carrier that desires to takeover its own Inquiry Service as soon as it can convert to an in-house system, may purchase Inquiry Service for one-year periods, while taking advantage of discounted five-year rates for other billing services.

The unbundling of Inquiry Service will increase the amount charged for processing each message in many of the volume categories by a maximum of \$0.005 per message. In several categories in multi-year contracts, there will be a slight decrease in rates per message. Pacific believes the convenience of the unbundling will compensate the customer for the slight rate increase. Pacific expects an increased revenue effect of \$40,000

Pacific's revisions to other Billing and Collection services are made to increase the flexibility and attractiveness of the options to the IECs. Pacific is simplifying the language concerning minimum volumes submitted by the IEC. Also, provisions to penalize carriers for submitting greater than forecasted volumes are removed to encourage greater use of Pacific's services.

The establishment of Project Management labor rates separates out development time spent on work such as planning, training, and researching from Program Management rates which involve computer programming activities. This will be a savings to customers, since the labor rates for computer programming are higher than administrative activities. These two labor rates will both apply to 1) Message Detail, 2) Message Processing, and 3) Billing Services (includes Bill Processing Service). Since these new rate categories are primarily a change in recorded chargeable functions, no revenue effect is expected.

The proposed rates for all revisions are above cost. Pacific requested these tariff revisions outside a rate case in order to allow

The proposed rates for all revisions are above cost. Pacific requested these tariff revisions outside a rate case in order to allow its customers enhanced flexibility with billing and collection service in a timely manner.

FINDINGS

The Commission finds that the rates, charges and conditions for Inquiry Services 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 therefore,

IT IS ORDERED that:

(1) Authority is granted to make the above revisions effective on June 8, 1987.

(2) Schedule Cal. P.U.C. No. 175-T original sheets 459-C, 463-B, 464-A, 498-A, 549-A and the following:

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|---------------------|---------------------|
| revised sheet 464 | revised sheet 500 |
| revised sheet 468 | revised sheet 507 |
| revised sheet 483 | revised sheet 519 |
| revised sheet 480 | revised sheet 519-A |
| revised sheet 487 | revised sheet 538 |
| revised sheet 488 | revised sheet 547 |
| revised sheet 490 | revised sheet 548 |
| revised sheet 491 | revised sheet 549 |
| revised sheet 491-A | revised sheet 555-C |
| revised sheet 492 | revised sheet 555-D |
| revised sheet 497 | revised sheet 560 |
| revised sheet 498 | revised sheet 562 |
| revised sheet 499 | |

shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission of the State of California No. T-12026.

(3) The effective date of this Resolution is May 29, 1987.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 29, 1987. The following Commissioners approved it:

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



Executive Director