

Original

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12064
January 28, 1988

R E S O L U T I O N

PACIFIC BELL. ORDER AUTHORIZING A SPECIAL SERVICE AND EQUIPMENT (SSE) TARIFF AGREEMENT WITH MACY'S TO PROVIDE HIGH CAPACITY DIGITAL SERVICE AT BELOW EXISTING TARIFF RATES.

SUMMARY

Pacific Bell, by Advice Letter No. 15306 filed October 5, 1987 and Supplement filed November 12, 1987 requests authority to revise Cal. P.U.C. Tariff Schedule No. B9.2, Special High Capacity Digital Service, to reflect a Special Service and Equipment tariff with Macy's for High Capacity Digital Service at approximately 70% of the existing tariff rate. The proposed rates for Macy's are profitable and will not be subsidized by the general body of ratepayers.

BACKGROUND

High Capacity Digital Service is a dedicated private line channel service suitable for the transmission of digital signals at a speed of up to 1.544 Mbps. Pacific Bell already has tariffed rates for this service available to other customers based on average costs. Pacific Bell wants to provide an SSE tariff specifically for Macy's to reflect the actual cost of serving that customer and to prevent the loss of revenue if the customer bypasses the system.

DISCUSSION

The tariff for Macy's Special High Capacity Digital Service will be effective March 1, 1988 and will last 5 years. The revenue to cost ratio for this provision is 1.47. This means that there will be a contribution of 47%. Pacific's revenue at the proposed rates is \$301,800 annually. The revenue at current tariffed rates for this service is approximately \$420,000, which equates to a revenue to cost ratio of 2.0.

Although there were no protests to this filing (Advice Letter No. 15306), an issue was raised informally by Bay Area Teleport. The issue was the appropriateness of allowing Macy's to have a SSE agreement for Special High Capacity Digital Service rather than requiring Pacific to continue to provide the service from the High Capacity Digital Service Tariff that other customers must use. In Decision 87-12-027 this Commission points out that it has the authority under Public Utilities Code Section 532 to permit deviations from filed tariffs if there are unusual or exceptional circumstances justifying the deviation. We find that the terms and conditions of the proposed tariff are reasonable in this case.

FINDING

The Commission finds 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 agreement and the associated tariff revisions effective on January 28, 1988.

(2) All tariff sheets filed under Advice Letter No. 15306 shall be marked to show that such sheets were authorized by Resolution No. T-12064.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 28, 1988. The following Commissioners approved it:

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



Executive Director