

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-13003
July 22, 1988

R E S O L U T I O N

PACIFIC BELL. ORDER AUTHORIZING THE PROVISION OF INTERCOM PLUS AND THE RESTRICTION OF BASIC INTERCOM TO EXISTING SUBSCRIBERS.

SUMMARY

This Resolution authorizes Pacific Bell to revise Tariff Schedule Cal. P.U.C. NO. A5 (Exchange Service). By this revision, Pacific limits one of its existing COMMSTAR Service features, Basic Intercom, and adds an enhanced version called Intercom Plus. Basic Intercom Service will be limited to existing subscribers. All new customers requesting Intercom will be offered Intercom Plus.

BACKGROUND

Basic Intercom, one of Pacific's COMMSTAR features, permits intercommunication between two or more customer-provided telephone stations answering the same telephone number. Basic Intercom cannot be used with incoming calls and it does not have the capability of selectively signaling different parties or locations by distinctive ringing patterns.

Basic Intercom is currently available in central offices with 1AESS switches only. Twenty two hundred and five (2205) access lines have Basic Intercom. This equates to a penetration rate of 0.03% for Basic Intercom.

Pacific finds that its Basic Intercom Service has not demonstrated the market penetration among Business and Residential customers to warrant additional expenditures needed to expand it to central offices with switches other than 1AESS.

Furthermore, AT&T now markets a software enhancement to Basic Intercom which Pacific calls Intercom Plus. This enhancement which is the state of the art, provides the customer with Basic Intercom capability plus the following additional features: Intercom Code

Dialing, Selective Intercom Dialing, Selective Call Transfer, Dialable Call Hold and Three-Way Calling (See attachment A for description).

Pacific's market research indicates that with the additional features, especially the ability to link up to the outside world, Intercom Plus can better fulfill the customer needs and will be a more marketable product than Basic Intercom.

Pacific will expand its Intercom Plus offering to all central offices equipped with 1AESS, 2BESS, 5ESS, DMS10 and DMS100 switches statewide. A statewide promotion of the product will also be initiated. As a result of a better product, statewide expansion and a statewide promotion, Pacific expects to recover its start-up costs within the first three years and to generate positive contributions to basic service over the life of the product. The Staff of the Commission Advisory & Compliance Division believes that the estimate to recover start-up costs in three years is too optimistic and that five years is more likely.

Under the revised tariff submitted in Advice Letter No. 15419, dated 27, June 1988, Pacific also purposes to restrict Basic Intercom to existing customers on the same premises and supercedures. Additions, deletions or changes to the existing intercom system are prohibited. Existing Intercom subscribers will be notified that they may change to Intercom Plus at no service charge within 120 days of the effective date of this resolution.

Current monthly rates for Basic Intercom are \$3.00 (Business) and \$2.50 (Residence). These rates will not change. The proposed monthly rates for the new service offering Intercom Plus is \$4.50 (Business) and \$4.00 (Residence).

Customers will be notified of the Intercom revisions via Pacific's monthly bill as well as direct mail.

Pacific will file a tracking report annually with the Staff of the Commission Advisory & Compliance Division on this offering for five years.

FINDINGS

1. Basic Intercom is only available in central offices with 1AESS switches.
2. There are only 2,205 access lines with Basic Intercom Service.
3. Intercom Plus is expected to be a viable offering even under a conservative estimate scenario.

IT IS ORDERED that:

- (1) Authority is granted to make the above revisions on August 1, 1988.
- (2) Schedule Cal P.U.C. No. A5 2nd Revised Sheet 399.1, 6th Revised Sheet 401 and 3rd Revised Sheet 410.1 shall be marked to show that these sheets were authorized by Resolution of the Public Utilities Commission No. T-13003.

The effective date of this Resolution is today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 22, 1988. The following Commissioners approved it:

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



Executive Director

DESCRIPTION OF PROPOSED CHANGE

Intercom Plus is an enhancement to Pacific's existing Intercom product. The existing (basic) Intercom product provides customers the capacity to talk between extensions on a single telephone line by dialing their own telephone number and hanging up. The central office then provides a distinctive ring on the line and a talking path is established between the parties that pick up extensions.

Intercom Plus provides the customer with (basic) Intercom capacity plus the following additional features:

1. INTERCOM CODE DIALING- This capacity allows the Intercom Plus customer to pick up the receiver, dial an access code, hang up, and then have all extensions on the same line ring with a distinctive ringing pattern. Everyone picking up an extension will have a clear talking path. With (basic) Intercom today, the person initiating an intercom call must dial the complete seven digit telephone number.

2. SELECTIVE INTERCOM DIALING- This capability provides access codes for three different ringing patterns. With this flexibility the user can dial a particular access code that has been identified with a particular location or member of the household or business. Other people hearing the ring can then ignore the call if they wish.

3. SELECTIVE CALL TRANSFER- This capability permits the Intercom Plus user to transfer calls between extensions. The user could answer an incoming call on one extension, press and release the receiver button, dial an access code for one of the three different ringing patterns and hang up. All extensions on the line would then ring with the ringing pattern corresponding to the dialed code. Anyone picking up an extension would be connected to the call immediately.

4. DIALABLE CALL HOLD- This capability permits the Intercom Plus user to put a non-intercom call on hold by pressing and releasing the receiver button, dialing an access code and hanging up. The call will then remain on hold until any extension is taken off hook or the calling party disconnects. During this hold, any extension going off hook is connected to the call. This feature allows a person to place a call on hold, hang up the extension, walk to another part of the house or business, pick up another extension and continue the conversation.

5. THREE-WAY CALLING- Three-Way Calling permits the customer to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The customer initiating the conference controls the call and may disconnect the third party to re-establish the original connection or establish a connection to a different third party. This feature may be used on both outgoing and incoming calls.