

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

C-7

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-13018
August 24, 1988

R E S O L U T I O N

PACIFIC BELL. ORDER REJECTING PACIFIC BELL'S ADVICE LETTER
NO. 15434.

SUMMARY

On August 8, 1988, Pacific Bell (Pacific) filed Advice Letter No. 15434 in response to Ordering Paragraph 77 of Decision 88-07-022. Ordering Paragraph 77 states that "The effective date of the revised tariff sheets shall be 60 days after the effective date of this order." The effective date of the order is July 8, 1988 and therefore the effective date of the revised tariffs shall be September 6, 1988. Pacific in its advice letter states that it will be "...unable to modify its billing system in time to meet the requirements of Ordering Paragraph 77 with respect to implementation of adopted Discount Options I and II for Centrex Station-Controlled Feature Packages A and B." Pacific requests in its advice letter that we allow implementation of those discount options to begin on December 1, 1988. We find that an advice letter is not the appropriate vehicle to cause such a change and therefore are rejecting Advice Letter No. 15434. Pacific's recourse is to file a Petition for Modification of Decision 88-07-022.

HISTORY

On August 8, 1988, Pacific filed Advice Letter No. 15434 to indicate it is able to comply with all the changes as ordered by Decision 88-07-022 with the exception of the Discount Options I and II for Centrex Station-Controlled Feature Packages A and B. These packages provide discounts to various custom calling-like features such as call waiting, call forwarding, etc. when they are ordered in groups rather than individually. By delaying the offering of these discount options, Centrex customers will in effect be receiving a rate increase. The expected amount of the windfall that Pacific will receive is approximately \$1 million. This is calculated by Pacific's estimate decrease in revenues with these discount options at the rate of \$4.098 million per year, prorated for the period between September 6, 1988 and December 1, 1988.

DISCUSSION

Pacific states in its attachment to Advice Letter No. 15434 that "the required redesign of CRIS (Customer Records Information System) will entail over 4400 hours of work, much of which cannot be performed at the same time but rather must be performed sequentially." This Commission recognizes that programming takes time; however, it is disturbed by Pacific's failure to notify it of any potential problems until the advice letter stage. Decision 88-07-022 basically adopted Pacific's proposed changes to Centrex service; Pacific had an opportunity to alert the Commission to its concerns during the comment period after publication of the Administrative Law Judge's Proposed Decision; and after the Commission adopted Decision 88-07-022, Pacific should have filed a Petition for Modification.

Pacific effectively seeks modification of the decision via compliance filing; however the delay it proposes has a revenue impact on a certain class of customers and it would be inappropriate to accede to Pacific's request by issuing a resolution approving what is designed to be a straightforward compliance filing. Therefore we have no choice but to reject its advice letter.

Due to the adverse effects on Pacific customers, Pacific should file a Petition for Modification. In the meantime, if Pacific is unable to implement the Discount Options I and II for Centrex Station-Controlled Feature Packages A and B by September 6, 1988, Pacific shall track the amount of overcollections in order to refund the overcollected amount to its customers.

FINDINGS

- (1) Pacific's Advice Letter No. 15434 is not in compliance with Ordering Paragraph 77 of Decision 88-07-022.
- (2) Any delay in the offering of Discount Options I and II for Centrex Station-Controlled Feature Packages A and B will have an adverse revenue impact on the customers using that service.
- (3) An advice letter filed in compliance to a decision is not the appropriate vehicle to present changes to that decision.
- (4) Pacific's proposal to delay implementation of Discount Options I and II will negatively affect users, and should be proposed in a Petition for Modification.
- (5) Pacific should track and refund any amount overcollected due to its delay in offering Discount Options I and II for Centrex Station-Controlled Feature Packages A and B.

(6) Notice of this matter did not appear on the Commission's public agenda; however, an emergency exists in that Pacific is not in compliance with Decision 88-07-022 and it is necessary to act before September 6, 1988, to require tracking of amounts associated with the delay in offering Discount Options I and II for Centrex Station-Controlled Feature Packages A and B. This situation justifies our action today under Public Utilities Code Section 306 (b).

IT IS ORDERED that:

- (1) Pacific's Advice Letter No. 15434 is hereby rejected.
- (2) Pacific should file a Petition for Modification if it still wishes to affect changes to Decision 88-07-022.
- (3) Pacific shall track and refund any amount overcollected due to the delay beyond September 6, 1988, of offering Discount Options I and II for Centrex Station-Controlled Feature Packages A and B.
- (4) 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 August 24, 1988. The following Commissioners approved it:

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



Executive Director