

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Telecommunications BranchRESOLUTION NO. T-14050
February 7, 1990R E S O L U T I O N

RESOLUTION T-14050. AT&T COMMUNICATIONS OF CALIFORNIA, INC. ORDER AUTHORIZING HOLIDAY RATES FOR AT&T'S LONG DISTANCE SERVICE ON A ONE TIME BASIS ON WEDNESDAY, FEBRUARY 14, 1990. DAY AND EVENING RATE PERIOD CALLS WILL BE CHARGED AT THE NIGHT/WEEKEND RATE ON AT&T INTRASTATE INTERLATA LONG DISTANCE SERVICE.

BY ADVICE LETTER NO. 158 FILED ON JANUARY 19, 1990.

SUMMARY

This resolution authorizes AT&T Communications of California, Inc.'s (AT&T-C) request to add Wednesday, February 14, 1990, on a one time basis to the holidays for its intrastate interLATA Long Distance Service. By doing so, Day and Evening rate period calls made on this date will be charged at the night/weekend rate.

Commission approval of this Advice Letter filing should not be considered as a precedent by AT&T-C. Each advice letter filed with the Commission Advisory and Compliance Division (CACD) will continue to be evaluated on its complete record, factors and merits.

BACKGROUND

AT&T nationwide experienced a significant, and highly publicized, network disruption on Monday, January 15, 1990. AT&T-C filed Advice Letter No. 158 on January 19, 1990, to request approval to apply "holiday" (night/weekend) rates on a one-time basis to calls placed on Wednesday, February 14, 1990 (Valentine's Day). AT&T-C requests this approval to make a goodwill gesture in compensation for the inconvenience and disruption its customers experienced on January 15, 1990.

AT&T-C also requests that Advice Letter No. 158 become effective on less than regular notice (February 14, 1990), which requires Commission authorization and hence, this Resolution.

PROTESTS

On February 2, 1990, the Division of Ratepayer Advocates (DRA) filed timely "Comments and Limited Protest" with the Commission Advisory and Compliance Division (CACD). DRA "does not oppose this Advice Letter as long as it does not set a precedent for

future such reductions for 'holidays' or other 'exceptional' circumstance that have not previously been recognized in tariffs."

DISCUSSION

The AT&T network disruption on January 15, 1990, was an unanticipated and most troubling interruption of many customers' daily business and personal communications. Further, it was well-covered by all the major media and AT&T suffered a significant blow to its reputation as a trustworthy telecommunications provider. AT&T-C's request to provide its Long Distance Service customers with the holiday discount on Valentine's Day this year is a reasonable action consistent with traditional retail customer relations practices. If AT&T-C had sold a product that did not perform as promised, it would be expected to refund the purchase price or at least exchange the defective product for a comparable and functional one. In the case of this network disruption, AT&T's "product" (telephone service) did not perform as promised; since the bulk of its rates are usage-driven, refunds are not compensatory. AT&T-C's request offers a comparable product (discounted Long Distance Service) in exchange. AT&T-C estimates that this one-day discount will reduce its intrastate revenues by approximately \$600,000.

In its "Comments and Limited Protest," DRA essentially asks for confirmation by the Commission that this Advice Letter filing should not be considered as a precedent by AT&T-C or any other utility. Each advice letter filed with the CACD will continue to be evaluated on its complete record, factors and merits.

FINDINGS

1. AT&T nationwide experienced a significant, and highly publicized, network disruption on Monday, January 15, 1990.
2. AT&T-C filed Advice Letter No. 158 on January 19, 1990, to request approval to apply "holiday" (night/weekend) rates on a one-time basis to calls placed on Wednesday, February 14, 1990 (Valentine's Day). AT&T-C requests this approval to make a goodwill gesture in compensation for the inconvenience and disruption its customers experienced on January 15, 1990.
3. AT&T-C also requests that Advice Letter No. 158 become effective on less than regular notice (February 14, 1990).
4. AT&T-C's request to provide its Long Distance Service customers with the holiday discount on Valentine's Day this year is a reasonable action consistent with traditional retail customer relations practices.

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5. Commission authorization of this Advice Letter filing should not be considered as a precedent by AT&T-C or any other utility. Each advice letter filed with the CACD will continue to be evaluated on its complete record, factors and merits.

THEREFORE, IT IS ORDERED that:

1. AT&T-C's Advice Letter No. 158 is authorized, to add February 14, 1990, as a holiday for the application of "holiday rates" to intrastate interLATA Long Distance Service.
2. Advice Letter No. 158 and the accompanying tariff sheets shall be marked to show that they were approved by this Resolution on this date.
3. The effective date of this resolution is today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 7, 1990. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Wesley Franklin

Wesley Franklin
Acting Executive Director