

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
COMMISSION ADVISORY AND COMPLIANCE DIVISION      RESOLUTION T-14057  
Telecommunications Branch                              February 23, 1990

R E S O L U T I O N

RESOLUTION T-14057. REQUEST BY CITIZENS UTILITIES OF CALIFORNIA (CITIZENS) TO WAIVE FOR A 60-DAY PERIOD THE SERVICE CONNECTION CHARGES FOR REGRADES FROM MULTI-PARTY TO SINGLE-PARTY SERVICE.

BY ADVICE LETTER NO. 471, FILED ON DECEMBER 13, 1989.

SUMMARY

This resolution authorizes Citizens Utilities of California's (Citizens) request to waive the service connection charges for regrades from existing multi-party to single-party service for a 60-day period. Since the request is to deviate from the current tariff, this resolution is required. No customer will pay for any change in service which he or she does not request.

BACKGROUND

The Commission issued Resolution No. 13012 in August 1988. That resolution authorized Citizens to limit multi-party service to existing customers at existing locations as of August 25, 1988. Since then, Citizens has upgraded its central office equipment, which makes it more affordable for multi-party customers to upgrade to single-party service. There have been 98 multi-party businesses and 3,187 multi-party residences grandfathered at multi-party rates. These grandfathered customers now have single-party lines, but they do not have the option of purchasing additional calling features, as other single-party customers have. In order to do so, a service upgrade must be made. To encourage customers to upgrade, Citizens filed Advice Letter No. 469 on October 3, 1989. That advice letter, which went into effect on regular notice on November 13, 1989, eliminated suburban mileage charges, that is, charges related to the distance from the customer's premises to the company's base rate area.

Advice Letter No. 471, filed on December 13, 1989, takes a further step in the same direction: it waives the service connection charge for the service upgrade. The customer would pay more per month, therefore, only if additional services (e.g., touch tone, call waiting) are purchased.

PROTESTS

The Commission Advisory and Compliance Division (CACD) has received no protests to Advice Letter No. 471.

DISCUSSION

Citizens has estimated its costs and benefits of this conversion from multi-party to single-party service. The additional costs to the utility of providing the upgraded service to all currently grandfathered multi-party customers could total \$140,935, if all customers convert during the 60-day period. This cost is composed of \$75,235 of noncurring revenue foregone to upgrade to single-party service, and \$65,700 foregone in premises visit charges. The benefits of the upgrade are \$53,931 in expected additional annual revenue. This is a net loss of \$87,004 in the first year only, for which the utility is not seeking rate compensation.

After the central office equipment upgrade, multi-party customers continued to receive not only the level of service provided previously, but also single-party service, except for the ability to purchase additional services only offered to single-party customers. All of this was grandfathered at no additional cost to customers. Now, these grandfathered customers are being offered a complete upgrade to single-party service, including the option to purchase additional services, at a lower cost than ever before. That cost is lower because mileage will not be charged and the upgrade fee will be waived for 60 days. No customer will pay more for his or her existing service.

The Commission Advisory and Compliance Division (CACD) is concerned that Enhanced 911 (E-911) service will be available to all grandfathered customers, whether they elect to upgrade or not. Enhanced 911 allows 911 calls to be routed to the appropriate Public Safety Answering Point (PSAP) by the Local Exchange Company's (LEC) telephone switch, as well as being able to display the originating phone number and location of the caller to the PSAP. The need for E-911 was recognized by the Legislature in 1987, and the resulting AB 320 required the development of a statewide implementation plan. The plan, scheduled for completion in 1992, depends upon the LECs' equipment modernization (i.e., digital switches). Presently, E-911's Automatic Location Identifier database cannot distinguish the caller from a multi-party service from the other parties in the service, and therefore single party service is needed for E-911 to work effectively. Software development may mitigate these limitations in the future. Citizens has assured the CACD that this service can and will be provided to all "grandfathered" single party service customers, regardless of whether they order the service upgrade.

FINDINGS

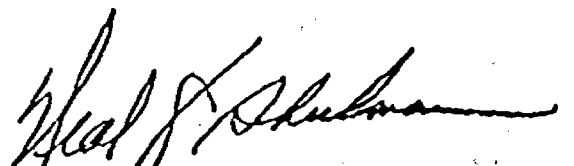
1. Resolution T-13012 (August 1988) authorized Citizens to limit multi-party service to existing customers at existing locations as of August 25, 1988.
2. Citizens' proposed deviation from Schedule No. A-18 is just and reasonable and should be approved. No customer will have to pay more unless additional services are purchased.
3. Citizens has stated that it will not seek rate relief to compensate for any realized revenue loss, but it expects additional revenue from the sale of additional services to the affected customers.
4. Enhanced 911 services can and will be provided to all grandfathered customers, regardless of whether they upgrade their service.

## THEREFORE, IT IS ORDERED that:

1. Citizens' Advice Letter No. 471 is authorized.
2. All tariff sheets under Advice Letter No. 471 shall be marked to show that such sheets were authorized by this resolution and its effective date.
3. Citizens shall ensure that Enhanced 911 services are provided to all customers.
4. Citizens shall notify all affected customers of the 60-day service regrade fee waiver within one week of the effective date of this order. This notice shall fully disclose the terms, limitations and conditions of their current service and the service regrade.
5. Citizens shall provide a copy of the customer notification to the CACD Telecommunications Branch Chief at the same time it is sent to customers.
6. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 23, 1990. The following Commissioners approved it:

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

  
Executive Director