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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14083  
Telecommunication Branch August 8, 1990

**R E S O L U T I O N**

RESOLUTION T-14083. REQUEST BY PACIFIC BELL TO WITHDRAW THE OFFERING OF FIVE CALL BONUS WIDE AREA PLAN PRICE OPTIONS FROM THE MESSAGE TOLL TELEPHONE SERVICE OPTIONAL CALLING PLANS.

BY ADVICE LETTER NO. 15762, FILED ON JUNE 22, 1990.

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SUMMARY

This resolution authorizes Pacific Bell's (Pacific's) request to withdraw five of six CALL BONUS Wide Area Plan price options and offer only the \$6.75 price option. Pacific proposes to withdraw five options due to poor customer demand for these plans. This proposal will not impact other current offerings such as Circle Calling, Community, or Optional Calling Measured Service.

These five withdrawn Optional Calling discounted toll plans will be hereafter limited to existing customers. Existing customers have received written notice that they may keep their existing service throughout the life of their service or switch to other discount plans.

New and existing customers interested in other CALL BONUS discount calling plans will continue to be offered Community Calling Plan, Circle Calling, and the \$6.75 Wide Area Plan.

BACKGROUND

Pacific's CALL BONUS Optional Calling Plans include Community, Circle Calling, and Wide Area Plans. These plans provide customers with discounted options on toll charges which allow customers to manage their calling in a way that can reduce their costs and meet their specific calling needs.

The existing CALL BONUS Wide Area optional calling plan provides discounts and/or allowances:

- o on calls made within the subscribers service area
- o during specified rate periods
- o for a monthly subscription rate.

The current price options for the Wide Area Plan are:

<u>Plan Price*</u>	<u>Discount</u>	<u>Discount Periods</u>
\$2.00	20%	11:00pm - 8:00am
\$4.00	35%	Monday - Friday
\$6.00	\$7.50 Allowance and 25% Discount	11:00pm - Friday- 8:00am Monday
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\$2.75	20%	9:00pm - 8:00am
\$4.75	35%	Monday - Friday
\$6.75	\$8.50 Allowance and 25% Discount	12 Noon - 2:00pm Monday - Friday
		9:00pm - Friday- 8:00am Monday

\* Recurring Monthly Rate

Pacific is proposing to limit the offering of the Wide Area Plan to only the \$6.75 price option. Implementation of this proposal will result in the removal of the \$2.00, \$2.75, \$4.00, \$4.75 and the \$6.00 price options from the plan.

Customers who choose to retain their existing Wide Area Plan may do so until:

- o their service is completely disconnected,
- o their service is moved to another location,
- o their service is superseded,
- o there is a billing name change, or
- o there is a change made in their CALL BONUS Wide Area Plan

Since February 1, 1990, Pacific has provided CALL BONUS customers with specific plan comparison information on their monthly bill. This information will enable customers to evaluate the performance of their existing discount plan, and consider whether they wish to change or discontinue their plan.

Customers who wish to change their service to another discount plan may choose from the following plans:

- o Community - provides discounts to selected communities within approximately 40 miles of the subscriber's home 24 hours a day.
- o Circle Calling - provides discounts on calls made to most locations within approximately 40 miles of the subscribers home 24 hours a day.
- o Wide Area - provides discounts on all service area calls, including ZUM Zone 2 and 3 calls, during specific hours.

#### PROTESTS

The Commission Advisory and Compliance Division (CACD) has received no protests to Advice Letter No.15762.

#### DISCUSSION

Pacific established CALL BONUS Wide Area Plans on January 1, 1985, as a series of differently priced optional discount plans that would allow customers greater control over their calling and give them an opportunity to save on their toll calling charges. When Pacific established these optional discount plans, it made assumptions about customer demand that have not been shown to be correct. Today, except for the \$6.75 plan, fewer and fewer customers save with these price options, to the point that the majority of customers no longer save on their toll calling charges. Currently there are 7,707 Wide Area Plan customers, of which 7,006 (91%) subscribe to the \$6.75 price option and 701 (9%) subscribe to all other Wide Area Plan price options.

Pacific proposes to withdraw the \$2.00 to \$6.00 pricing plans, to simplify the offering, reduce customer confusion, and improve customer sales of the Wide Area Calling Plan.

Pacific will continue to provide all existing Wide Area Plan customers with their existing pricing plan throughout the life of their service. Customers will continue to have access to the Community, Circle Calling and \$6.75 Wide Area CALL BONUS OPTION Calling Plans for changes in service or new service.

Existing Wide Area Plan customers who wish to change their service to another discount plan will be offered a waiver of the

\$5 nonrecurring charge for 90 days after the effective date of the tariff.

Pacific notified the Wide Area Plan's existing customers disclosing the terms and conditions of the withdrawal of the \$2.00, \$2.75, \$4.00, \$4.75, and \$6.00 price options, including: 1) existing customers can maintain their same plan throughout the life of their service; and 2) For 90 days following the effective date of this resolution, existing customers will have nonrecurring charges waived if they wish to regrade to other discount plans.

#### FINDINGS

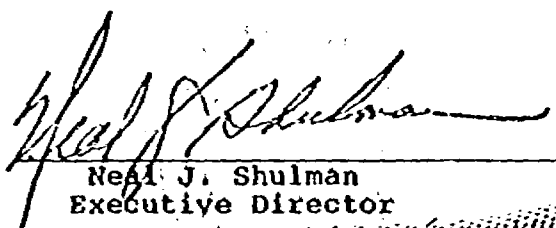
1. All existing customers with the CALL BONUS Wide Area Plan options to be withdrawn have been notified that their CALL BONUS Plan will no longer be available to new customers, and that existing customers may keep their service and rate throughout the life of their service.
2. For 90 days after the effective date of this tariff, nonrecurring charges will be waived for existing customers of the five withdrawn Wide Area Plan options who wish to change to another discount plan.
3. Pacific Bell's proposal to withdraw five CALL BONUS Wide Area Plan price options, and offer only the \$6.75 price option plan is just and reasonable.

THEREFORE, IT IS ORDERED that:

1. Pacific Bell's request in Advice Letter No.15762, is authorized.
2. Advice Letter No. 15762 and the accompanying tariff sheets shall be marked to show that they were authorized by this resolution and its effective date.
3. This resolution is effective August 8, 1990.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 8, 1990. The following Commissioners approved it:

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

  
Neal J. Shulman  
Executive Director