

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14132
Telecommunications Branch Date August 8, 1990

R E S O L U T I O N

RESOLUTION T-14132. REQUEST BY CP NATIONAL TO DEVIATE FROM FILED TARIFF SCHEDULES IN ORDER TO WAIVE THE SERVICE CONNECTION CHARGE TO ADD TOUCH CALLING SERVICE DURING A 60-DAY PROMOTIONAL OFFERING IN THE PRINCETON, GRIMES AND MAXWELL EXCHANGES.

BY ADVICE LETTER 262-T, FILED ON MAY 24, 1990.

SUMMARY

This resolution authorizes CP National's Advice Letter 262-T filed on May 24, 1990, which requests authority to deviate from CP National's tariff. CP National is authorized, for the period of August 8, 1990 to September 6, 1990, for the Princeton exchange, August 23, 1990 to October 22, 1990, for the Grimes exchange and October 18, 1990 to December 17, 1990, for the Maxwell exchange to waive the service connection charge (which includes the service order-subsequent and line connection charges) for adding "Touch Calling" service to the Princeton, Grimes and Maxwell exchanges.

BACKGROUND

CP National's Princeton, Grimes and Maxwell exchanges are currently served by analog switches. CP National will be installing digital switches in these exchanges on the following dates; Princeton, August 18, 1990; Grimes, September 22, 1990; and Maxwell, November 17, 1990. The Princeton, Grimes and Maxwell exchanges are approximately 50 miles northwest of Sacramento and have 223, 234 and 628 subscribers respectively. Some existing telephones may not be compatible with a digital system and will need to be replaced. CP National has advised their customers (i.e., billing messages and individual letters) to have their telephone checked by the utility for compatibility with a digital switch. There will be no charge to the customer for this inspection. If needed, the customer will be advised that compatible equipment may be leased or purchased from the utility or may be obtained from an outside source.

With the introduction of digital switches, CP National will be able to provide additional services in the Princeton, Grimes and Maxwell exchanges which require Touch Calling. To stimulate the use of "Touch Calling" service, CP National requests that the

Commission grant authority under section 532 of the Public Utilities Code to allow CP National to promote the service by waiving the service connection charge for existing Princeton, Grimes and Maxwell customers to add Touch Calling service. The promotional period will be from August 8, 1990 to September 6, 1990, for the Princeton exchange; August 23, 1990 to October 22, 1990, for the Grimes exchange; and October 18, 1990 to December 17, 1990, for the Maxwell exchange.

PROTESTS

No protests have been received by the Commission Advisory and Compliance Division (CACD).

DISCUSSION

With the introduction of digital service in CP National's Princeton, Grimes and Maxwell exchanges, additional service features such as "Call Waiting" and "Call Forwarding" will now be available. Through the sale of vertical services, additional generated revenues help to keep basic rates low. At this time CP National wishes to stimulate the useage of "Touch Calling" service (which is a prerequisite for other vertical services) by waiving the service connection (including line order-subsequent and connection charges) for adding "Touch Calling" service in the Princeton, Grimes and Maxwell exchanges, which at this time is \$38.00 for business customers and \$32.00 for residential customers. Business and residential customers will pay a monthly recurring charge of \$1.50 and \$1.15, respectively.

On January 9, 1990, the Commission issued Resolution No. T-14044 which authorized CP National to waive service connection charges to add Touch Calling service during a promotional period in the Arbuckle Exchange. At that time, the CACD gave particular scrutiny to CP National's methodology in promoting "Touch Calling" service. CP National planned to offer "Touch Calling" service through bill inserts and at the time the customer's equipment was tested for compatibility with the new digital system. The CACD wanted complete confidence that "marketing abuse" would not occur. For example, the CACD did not want the waiver of the service connection charge to add Touch Calling Service to be tied to the purchase or lease of CP National's telephone equipment. The CACD believed that CP National's plan provided ample notice and that the "script" to be used by the customer service representative indicated that the customer would not only have the opportunity to select "Rotary" or "Touch Calling" service, but would be informed of the option to purchase a telephone from an outside source (granted it meets FCC requirements.) CP National seeks approval of an identical promotion in the Princeton, Grimes and Maxwell exchanges.

With the new digital technology that will be utilized in the Princeton, Grimes and Maxwell exchanges, CP National will now be able to provide services which customers in other service area take for granted. Since the promotion will be offered to all existing customers of Princeton, Grimes and Maxwell exchanges, there will be no discrimination. New connect customers will be

assessed normal connection charges and ineligible to participate in the promotional offering.

Resolution No. T-14044 approved January 9, 1990, previously authorized CP National to provide an identical promotional offering in the Arbuckle exchange, the Commission sees no reason to withhold authority for this offering.

By authority granted the Commission under Section 532 of the Public Utilities (PU) Code, the CACD recommends approval of CP National's Advice Letter No. 262, filed May 24, 1990, to promote "Touch Calling" service in the Princeton, Grimes and Maxwell exchanges during the periods specified therein.

FINDINGS

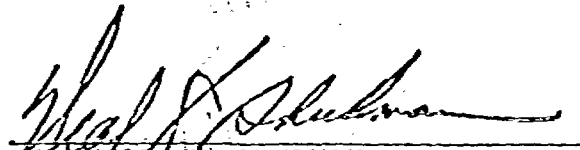
1. The Commission is authorized by PU Code Section 532 to grant the deviation from utility tariffs requested by CP National in Advice Letter No. 262.
2. A monthly recurring charge of \$1.50 and \$1.15 for business and residential customers, respectively, will apply.
3. The promotional period would be limited in the Princeton exchange from August 8, 1990 to September 6, 1990; in the Grimes exchange from August 23, 1990 to October 22, 1990; and in the Maxwell exchange from October 18, 1990 to December 17, 1990.
4. CP National will inform customers of the option to purchase a telephone from an outside source (granted it meets Federal Communication Commission requirements).
5. Since the promotion will be offered to all existing customer of the Princeton, Grimes and the Maxwell exchanges, there will be no rate discrimination.

THEREFORE, IT IS ORDERED that:

1. By authority granted the Commission under Section 532 of the P.U. Code, CP National may deviate from its filed tariff and waive the service connection charge (which includes the service order-subsequent and line connection charges) for those existing business and residential customers in the Princeton, Grimes and Maxwell exchanges who wish to add "Touch Calling" service. This authorization is limited to the periods: Princeton exchange from August 8, 1990 to September 6, 1990; Grimes exchange from August 23, 1990 to October 22, 1990; and Maxwell exchange from October 18, 1990 to December 17, 1990.
2. All tariff sheets filed under CP National's Advice Letter No. 262 shall be marked to show this resolution's number and effective date.
3. 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 8, 1990. The following Commissioners approved it:

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


NEAL J. SHULMAN
Executive Director