

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION      RESOLUTION T-14157  
Telecommunications Branch                              September 25, 1990

R E S O L U T I O N

RESOLUTION T-14157. PACIFIC BELL. ORDER AUTHORIZING A SPECIALIZED SERVICE OR ARRANGEMENT (SSA) FOR PACIFIC BELL TO PROVIDE AN INTRASTATE BILLING AND COLLECTION SERVICE TO US SPRINT TELECOMMUNICATIONS COMPANY LIMITED PARTNERSHIP.

BY ADVICE LETTER NO. 15799, FILED AUGUST 21, 1990.

SUMMARY

Pacific Bell (Pacific), by Advice Letter No. 15799, filed August 21, 1990 requests authority under provisions of General Order No. 96-A (G.O. 96-A) to provide Package Ready Billing and Collection Service to US Sprint Telecommunications Company Limited Partnership (Sprint).

The agreement to provide the billing and collection service to Sprint is for a five year period. Pacific estimates providing this service to Sprint will increase its Intrastate revenues by \$815,000 in 1990.

No protests to this Advice Letter were filed.

BACKGROUND

Package Ready Billing and Collection Service is a billing service whereby Sprint creates pre-packaged end user invoice records for all Sprint charges and credits and sends the package to Pacific for incorporation into Pacific's end users' bills.

This agreement to provide Package Ready Billing and Collection Services covers full billing of Sprint's presubscribed residence accounts as well as selected business accounts. This agreement is similar to the agreements approved by the Commission in Resolution Nos. T-13073 and T-13056 authorizing Pacific to provide similar services to AT&T and MCI respectively.

The rate elements for this agreement are the same as those offered MCI and authorized in Resolution No. T-13056, dated March 22, 1989. In addition, an annual guaranteed minimum payment is due beginning twelve (12) months after the implementation date of the Package Billing System for each calendar year and continuing until the termination or expiration of this agreement. Also,

the nonrecurring cost to provide the service to Sprint will be fully recovered during the first year of the agreement.

This new billing and collection arrangement will allow approximately 411,000 customers of Sprint to pay one bill instead of two.

Sprint customers who are billed by Pacific and do not pay their Sprint bill may now be disconnected by Pacific.

#### PROTESTS

No protests have been filed on Pacific's Advice Letter No. 15799.

#### DISCUSSION

In reviewing Advice Letter No. 15799, we have determined that Pacific's proposed agreement to provide Package Ready Billing and Collection Services to Sprint is similar to the agreements approved by the Commission in Resolutions T-13073 and T-13056 in which Pacific was authorized to provide billing and collection services to AT&T and MCI respectively. Also the rate elements for Sprint are the same as those approved for MCI in Resolution T-13056.

Some Pacific customers who subscribe to Sprint may be at greater risk of being disconnected from the local telephone network for non-payment of their Sprint bills under this new billing and collection system. However, this problem is outweighed by other benefits to Sprint, Pacific and their customers. In addition to increased revenues to Pacific and a reduced operational cost to Sprint, the affected customers could realize a yearly saving of approximately \$1,233,000 in postage cost.

According to the agreement, Sprint will pay the full cost for development of the Package Ready System in four payments. The final payment will be made 60 days after implementation of the system.

#### FINDINGS

1. The rates and charges set forth in the agreement cover the cost of providing the billing and collection service under the terms of the agreement.
2. A guaranteed minimum payment, beginning 12 months after the implementation date of the Package Ready Billing System is due each calendar year.
3. The nonrecurring cost to develop the Package Ready Billing System shall be paid in four installments and the last

# CORRECTION

THIS DOCUMENT HAS  
BEEN REPHOTOGRAPHED

TO ASSURE

LEGIBILITY

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#### FINDINGS

1. The rates and charges set forth in the agreement cover the cost of providing the billing and collection service under the terms of the agreement.
2. A guaranteed minimum payment, beginning 12 months after the implementation date of the Package Ready Billing System is due each calendar year.
3. The nonrecurring cost to develop the Package Ready Billing System shall be paid in four installments and the last

installment is due 60 days from the implementation date of the system.

4. The rates, charges, terms and conditions authorized in this Resolution are just and reasonable;

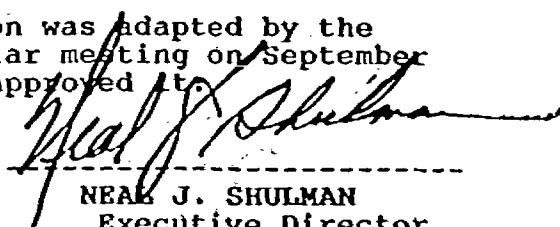
THEREFORE, IT IS ORDERED that:

- (1) Authority is granted to make the above Advice Letter effective on September 26, 1990.
- (2) The Advice Letter authorized herein shall be marked to show that it was authorized under Resolution of the Public Utilities Commission of the State of California No. T-14157.
- (3) All tariff sheets filed under Advice Letter No. 15799 shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission of the State of California No. T-14157.

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 September 25, 1990. The following Commissioners approved it:

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

  
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NEAL J. SHULMAN  
Executive Director

Commissioner John B. Ohanian,  
being necessarily absent, did  
not participate.