

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14214
Telecommunications Branch November 9, 1990

R E S O L U T I O N

RESOLUTION T-14214. GTE CALIFORNIA. ORDER
AUTHORIZING GTE CALIFORNIA TO PROVIDE CENTRANET SERVICE
TO HACIENDA-LA PUENTE SCHOOL DISTRICT UNDER CONTRACT.

BY ADVICE LETTER NO. 5274, FILED OCTOBER 15, 1990.

SUMMARY

GTE California (GTEC), by Advice Letter No. 5274, filed October 15, 1990 and Supplement A filed October 24, 1990 requests authority under provisions of General Order No. 96-A (G.O. 96-A) and Decision No. (D.) 88-09-059 to deviate from filed tariff schedules in order to provide Hacienda-La Puente School District (Hacienda) in Industry, California with CentraNet service under a customer specific contract. This Resolution authorizes the contract which GTEC estimates will result in a decrease in annual revenue of \$4,236 from the existing tariff rates.

No protests to Advice Letter No. 5274 were filed.

BACKGROUND

In D. 88-09-059 the Commission adopted a modified Phase 1 Settlement (hereinafter referred to as the Settlement). Under the provisions of the Settlement, the Local Exchange Companies (LECs) are allowed to provide certain services, such as CentraNet for GTEC, under contracts between LECs and customers. The Settlement provides that such contracts become effective upon authorization by the Commission.

The process and requirements for filing of advice letters to request authorization of customer specific contracts are set forth in Appendix A of D. 88-09-059. Resolution Nos. T-13091 and T-13092, dated September 7, 1989, and Resolution No. T-13069 dated May 26, 1989, provided additional specifications on advice letter filings requesting authorization to provide Centrex-type service under contract.

D. 90-04-031 placed new conditions on special contracts by applying "the principles of unbundling, nondiscriminatory access, imputation, and basing rate structures of monopoly utility services on underlying cost structures." However since

this contract was signed prior to the date of the Decision, D. 90-04-031 is not applicable in this case.

This contract filed under Advice Letter No. 5274 covers the provisioning of CentraNet service to Hacienda. CentraNet is a central office based communications system which includes primary stations lines capable of receiving direct in-dialed calls and capable of direct out-dialing of calls. CentraNet Service also provides the customer with optional system and station features.

Under the terms of the contract, GTEC agrees to provide Hacienda, who currently takes CentraNet service under tariff, 321 lines and optional features for a period of five years at a monthly rate of \$6,032. GTEC indicates that Commission authorization of this contract will result in a net decrease in annual revenue of \$4,236 compared to current tariff rates for this service.

PROTESTS

No protests have been filed on GTEC's Advice Letter No. 5274.

DISCUSSION

In reviewing Advice Letter No. 5274 and Supplement A, we note the following.

- a. The contract contains the necessary language which conditions its approval upon Commission authorization.
- b. The Advice Letter and the Hacienda contract are public documents.
- c. GTEC requests in the Advice Letter that the workpapers and supporting cost documentation associated with the contract be treated as confidential.
- d. The contract provides for the offering of CentraNet service which is an appropriate service for offering under a contractual agreement.
- e. The rates and charges set forth in the contract covers the cost of providing the CentraNet service offered under the contract.
- f. The methodology used by GTEC to develop the costs of providing CentraNet service to Hacienda under the terms of the contract is based on the direct embedded methodology.
- g. The per line rate in this contract is based on a costing process which uses the current 1MB (measured business) rate for the access line and a discounted rate for the features.

- h. The Advice Letter states that Schedule Cal. P.U.C. No. A-38 surcharges are not applicable to the rates and charges set forth in these contracts.
- i. The Advice Letter indicates that the costs and revenues associated with the Hacienda contract will be tracked.
- j. A contract is required for Hacienda because the customer requires a fixed price contract that is competitive with PBX alternatives; this requirement cannot be met by the CentraNet service available under GTEC's present tariff.
- k. A tariff schedule is created which lists all special contracts.

With these findings, we conclude that the Advice Letter meets the requirements set forth in the previously mentioned Commission orders and G.O. 96-A, and shall be approved. However, we must emphasize that our approval is based on the specifics of the Advice Letter and the associated contract, and does not establish precedents for the contents or for Commission approval of similar requests.

FINDINGS

- 1. GTEC filed Advice Letter No. 5274 on October 15, 1990 and Supplement A on October 24, 1990 requesting Commission authorization to provide CentraNet service to Hacienda under a customer specific contract.
- 2. The Advice Letter conforms to the requirements of Appendix A of D. 88-09-059, Resolution Nos. T-13069 and T-13091, and G.O. 96-A.
- 3. D. 90-04-031 is not applicable to this contract.
- 4. Authorization of the Hacienda contract will result in an decrease in GTEC's annual revenue of \$4,236 for each year of the contract.

THEREFORE, IT IS ORDERED that:

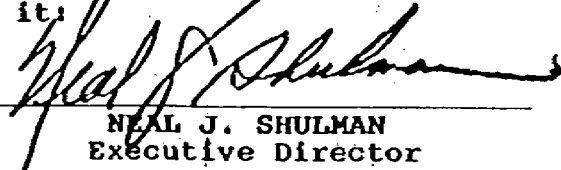
- (1) Authority is granted to make the above Advice Letter, Supplement A and the contract effective on November 10, 1990.
- (2) The Advice Letter and contract authorized herein shall be marked to show that they were was authorized under Resolution of the Public Utilities Commission of the State of California No. T-14214.
- (3) All tariff sheets filed under Advice Letter No. 5274 and Supplement A shall be marked to show that such

sheets were authorized by Resolution of the public Utilities Commission of the State of California No. T-14214.

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 November 9, 1990. The following Commissioners approved it:

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


NEAL J. SHULMAN
Executive Director

Commissioner Stanley W. Hulett,
being necessarily absent, did
not participate.