

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
COMMISSION ADVISORY AND COMPLIANCE DIVISION      RESOLUTION T-14467  
Telecommunications Branch                                      June 19, 1991

R E S O L U T I O N

RESOLUTION T-14467. PACIFIC BELL. ORDER AUTHORIZING PACIFIC BELL TO PROVIDE MECHANIZED SUMMARY BILLING SERVICE FOR CENTEX TELEMAGEMENT INC. UNDER A CUSTOMER SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 15968, FILED ON MAY 20, 1991.

SUMMARY

Pacific Bell (Pacific), by Advice Letter No. 15968, filed on May 20, 1991 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 Mechanized Summary Billing Service (MSBS) for Centex Telemagement Inc. (Centex) under a customer specific contract.

This Resolution authorizes Pacific to provide MSBS for Centex under a contract at rates which are discounted from the tariff rates for this service. Pacific estimates the revenue impact of this filing is an increase in annual revenue of \$25,212 for the first year of the contract. No protests to the Advice Letter were filed.

BACKGROUND

In D.88-09-059 the Commission adopted a modified Phase I Settlement (hereinafter referred to as the Settlement). Under the provisions of the Settlement, the Local Exchange Companies (LECs) are allowed to provide certain services under the terms of 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.

D.90-04-031 further requires that special contracts comply with the principles of unbundling, nondiscriminatory access, imputation, and basing rate structures of monopoly utility services on underlying cost structures. However, MSBS is a Category II Service and does not contain monopoly building blocks, therefore imputation is not necessary for this contract.

The contract filed under Advice Letter No. 15968 covers the provision of MSBS at contract rates for Centex. Mechanized Summary Billing is a supplemental billing service which allows numerous accounts of Centex, within either the Northern or Southern Region, to have their billing media summarized under a single fictitious control account and receive a single summarized bill or multiple summarized bills.

Under the terms of the contract, Pacific agrees to provide MSBS to Centex for 20,000 Auxiliary Accounts (4,000 Auxiliary Accounts at cutover) for a period of three years at a monthly rate of \$2,101. A maximum of 16,000 Auxiliary Accounts may be added to the system for an additional nonrecurring charge of \$14.00 per account. Pacific indicates that Commission authorization of this contract will result in a increase in annual revenue of \$25,212 for the first year of the contract.

#### NOTICE/PROTESTS

Pacific states that a copy of the Advice Letter was mailed to competing and adjacent utilities and/or other utilities and to the customer named in the contract.

No protests have been filed on Pacific's Advice Letter No. 15968.

#### DISCUSSION

In reviewing Advice Letter No. 15968, we note the following.

- a. The contract contains the necessary language which conditions its approval upon Commission authorization.
- b. The Advice Letter and the contract are public documents.
- c. Pacific requests in the Advice Letter that the workpapers and supporting cost documentation associated with the contract be treated as confidential.
- d. Pacific has offered the parties to the Phase I Settlement in I.87-11-033 the opportunity to receive and review the workpapers and supporting documentation associated with the contract if such a party (Division of Ratepayer Advocates excepted from this requirement) first enters into a protective agreement.
- e. Mechanized Summary Billing Service is an appropriate service for offering under a contractual arrangement.
- f. The rates and charges set forth in the contract cover the direct embedded cost of providing the service offered under the terms of the contract.
- g. The Advice Letter indicates that the costs and revenues associated with the contract will be tracked.

h. A contract is required in this case because the customer requires a fixed price with a set term. Pacific could not meet the customer's expectations under the current tariffs and therefore offered a customer specific contract.

We conclude that the Advice Letter meets the requirements set forth in the previously mentioned Commission orders and G.O. 96-A, and should 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 a precedent for the contents or for Commission approval of similar requests.

FINDINGS

1. Pacific Bell filed Advice Letter No. 15968 on May 20, 1991 requesting Commission authorization to provide MSBS to Centex under a customer specific contract.
2. The Advice Letter and the contract conform to the requirements of Decision 88-09-059 and G.O. 96-A.
3. Authorization of the Centex contract will result in an estimated increase in Pacific's annual revenue of \$25,212 for the first year of the contract.
4. Commission authorization of the Advice Letter and the contract does not establish a precedent for the contents of the filing, or the Commission approval of similar requests. Commission approval is based on the specifics of the Centex contract.
5. The rates, charges, terms and conditions of the contractual service in this Resolution are just and reasonable.

**THEREFORE, IT IS ORDERED that:**

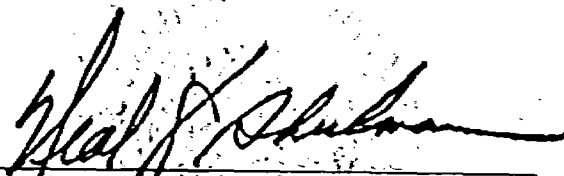
1. Authority is granted to make Advice Letter No. 15968 and the contract between Pacific Bell and Centex Telemanagement Inc. effective on June 20, 1991.
2. The Advice Letter, tariff sheets and contract authorized herein shall be marked to show that they were authorized under Resolution of the Public Utilities Commission of the State of California No. T-14467.

June 19, 1991

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 June 19, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT  
President  
G. MITCHELL WILK  
JOHN B. OHANIAN  
DANIEL Wm. FESSLER  
NORMAN D. SHUMWAY  
Commissioners



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NEAL J. SHULMAN  
Executive Director