

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14468
Telecommunications Branch June 19, 1991

R E S O L U T I O N

RESOLUTION T-14468. PACIFIC BELL. ORDER AUTHORIZING
PACIFIC BELL TO PROVIDE MECHANIZED SUMMARY BILLING
SERVICE FOR SECURITY PACIFIC AUTOMATION COMPANY, INC.
UNDER A CUSTOMER SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 15969, FILED ON MAY 20, 1991.

SUMMARY

Pacific Bell (Pacific), by Advice Letter No. 15969, 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 Security Pacific Automation Company, Inc. (Security Pacific) under a customer specific contract. Security Pacific currently takes MSBS under tariff.

This Resolution authorizes Pacific to provide MSBS for Security Pacific 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 decrease in annual revenue of \$48,711 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. 15969 covers the provision of MSBS at contract rates for Security Pacific. Mechanized Summary Billing is a supplemental billing service which allows numerous accounts of Security Pacific, 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 Security Pacific for 2,000 Auxiliary Accounts at cutover for a period of five years at a monthly rate of \$1,348. A maximum of 6,000 Auxiliary Accounts may be added to the system at an additional monthly rate of \$0.67 per account. The nonrecurring charge for adding Auxiliary Accounts, over the minimum quantity of 2,000 if not already existing on effective date of this agreement shall be the prevailing tariff charge.

Pacific indicates that Commission authorization of this contract will result in a decrease in annual revenue of \$48,711 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. 15969.

DISCUSSION

In reviewing Advice Letter No. 15969, 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. 15969 on May 20, 1991 requesting Commission authorization to provide MSBS to Security Pacific under a customer specific contract.

2. The Advice Letter and the contract conform to the requirements of Decision No.88-09-059 and G.O. 96-A.

3. Authorization of this contract will result in an estimated decrease in Pacific's annual revenue of \$48,711 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 Security Pacific contract.

5. The rates, charges, terms and conditions of the contractual service in this Resolution are just and reasonable.

THEREFORE, IT IS ORDERED that:

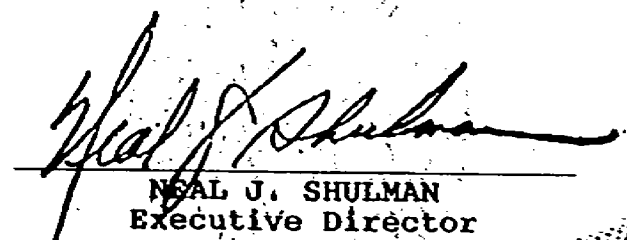
1. Authority is granted to make Advice Letter No. 15969 and the contract between Pacific Bell and Security Pacific Automation Company, Inc. effective on June 20, 1991.

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-14468.

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



NEAL J. SHULMAN
Executive Director