

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14643
Telecommunications Branch October 11, 1991

R E S O L U T I O N

RESOLUTION T-14643. PACIFIC BELL. COMMISSION ORDER
EXTENDING AUTHORITY TO PROVIDE CALIFORNIA 900 SERVICE
UNDER THE EXISTING PROVISIONAL TARIFF UNTIL FEBRUARY 1,
1992 OR FURTHER ORDER OF THE COMMISSION.

BY ADVICE LETTER NO. 16038 FILED ON AUGUST 12, 1991

SUMMARY

Commission Decision 89-03-061 granted Pacific authority under provisions of General Order 96-A to establish tariff schedule Cal. P.U.C. No. A9.5.3 providing California 900 Service on a provisional basis from July 14, 1989 through July 13, 1991. On July 2, 1991 Commission Resolution T-14509 extended Pacific's provisional authority for its California 900 service until November 19, 1991 or further order of the Commission.

On August 12, 1991, Pacific filed Advice Letter No. 16038 modifying its provisional California 900 tariff to incorporate additional consumer safeguards, changing billing and transport rates, and requesting permanent authority for its California 900 service.

This resolution authorizes Pacific's requested modifications and extends authority to provide California 900 Service on a provisional basis until February 1, 1992 or further order of the Commission.

BACKGROUND

Pacific's Advice Letter 15580, filed July 12, 1989, requested permission to establish Schedule Cal.P.U.C. No. A9.5.3 to provide California 900 Service on a twenty-four (24) month provisional basis from July 14, 1989 through July 13, 1991. Provisional authority was granted in Decision 89-03-061. On June 4, 1991, Pacific filed Advice Letter 15986 requesting permanent tariff authority for its California 900 service. Pacific requested an effective date of July 14, 1991, forty (40) days from the date of filing.

Because insufficient time was available to analyze Pacific's request and to consider possible protests, Pacific's authority would have expired prior to the effective date of Advice Letter No. 15986. To avoid potential harm to Pacific's existing

California 900 customers caused by the possible disruption to this service, the Commission extended Pacific's authority to offer this service until November 19, 1991 or until further notice of the Commission.

Pacific subsequently withdrew Advice Letter 15986. On August 12, 1991, Pacific filed Advice Letter No. 16038 modifying its provisional California 900 tariff to incorporate additional consumer safeguards, changing billing and transport rates, and requesting permanent authority for its California 900 service.

PROTESTS

Notice of Advice Letter No. 16038 was published in the Commission Calendar on August 15, 1991. The Commission Advisory and Compliance Division (CACD) has received no protests to this Advice Letter.

DISCUSSION

Pursuant to Pacific's Advice Letter 15580, filed July 12, 1989, the Commission granted Pacific authority to establish Schedule Cal. P.U.C. No. A9.5.3 to provide California (intraLATA) 900 service on a twenty-four (24) month provisional basis from July 14, 1989 through July 13, 1991. On June 4, 1991, Pacific filed Advice Letter 15986 requesting permanent tariff authority for its California 900 service. We extended provisional authority for this service until November 19, 1991 in order to allow sufficient time for protestants to submit, the utility to respond, and for the Commission to consider possible protests.

Concurrent with Pacific's filing of Advice Letter No. 15986, several interexchange carriers (IECs) were requesting approval of Advice Letters for the provision of interLATA 900 service. These interexchange carriers were granted authority to offer interLATA 900 services pursuant to Commission Decision (D.) 91-03-021. In granting this authority, D.91-03-021 ordered carriers to comply with numerous consumer safeguards similar to, but more extensive than those ordered for Pacific in D.89-03-061 (the decision authorizing Pacific's provisional California 900 service tariff).

While D.91-03-021 explicitly ordered IECs to comply with its consumer safeguards, the Commission expects these safeguards to be uniformly applied to all (interLATA and intraLATA) 900 services in California. As stated on page 36 of D.91-03-021,

"We agree consistency is desirable to prevent confusion and forum shopping. As pointed out by DRA and others, the caller is very unlikely to know which of several companies is carrying a 900 call. In fact, we see no reason why a caller would care which LEC or IEC is carrying the call as long as the quality of service between carriers is the same. The caller would care only if the carriers provide a different quality of service, such as different consumer safeguards that could result in more or less information and protection to the caller (e.g., an introductory message, adjustment policy differences). Furthermore, if any

consumer protections are sensible, consumers require the same amount and type of protection for each 900 call and carrier." (emphasis added).

As such, even though Pacific was not explicitly ordered to do so in D.91-03-021, Pacific is expected to adopt the safeguards ordered in D.91-03-021 in addition to those safeguards already contained in its California 900 tariff. The granting of permanent authority for Pacific's California 900 service will be contingent upon Pacific's inclusion of the consumer safeguards ordered in D.91-03-021.

In Advice Letter No. 16038, Pacific has attempted to include in its California 900 tariff the additional consumer safeguards established in D.91-03-021. Due to technical reasons, however, Pacific is unable to comply with the requirement to provide advance notification to its business customers (D.91-03-021, Ordering Paragraph 4j) until January 1, 1992. Pacific's provisional authority for this service expires November 19, 1991, approximately two months prior to the date Pacific anticipates it will be able to comply with the advance notice to business customers requirement ordered for the applicants in D.91-03-021.

Allowing Pacific's provisional tariff to expire could result in undue harm to those customers currently receiving services under the California 900 service tariff, because Pacific would be required to interrupt or terminate service to these customers until such time that a permanent tariff were approved. As stated above, we will not approve a permanent tariff for 900 service unless all the safeguards established by D.91-03-021 (including advance notice to business customers) are contained in the tariff.

Nevertheless, we view the harm caused by allowing the current provisional tariff to expire without an approved permanent tariff in place to be greater than any harm that might result from extending the expiration date of the provisional California 900 Service tariff. Extension of the expiration date for this tariff until February 1, 1992 will provide adequate time for Pacific to incorporate the safeguards established in D.91-03-021, and for the Commission to review and consider issues raised by the request for a permanent California 900 Service tariff.

Pacific states that the billing and transport rate changes requested by Advice Letter No. 16038 are intended to establish parity between what Pacific charges Information Providers (IPs) for its own California 900 service and what Pacific plans to charge IECs for transport and billing of IEC 900 services. The proposed price changes for billing and transport will not affect the total charge for calls lasting longer than thirty (30) seconds. However, calls of less than thirty (30) seconds in duration will experience an increase of about \$0.05 per call. Pacific states that its proposed price changes will more closely align billing and transport prices with their associated direct embedded costs. Pacific estimates that no significant revenue effects result from this change.

We favor price structures that reflect the underlying cost of a service. We also believe that parity and consistency in prices will avoid discriminatory rates prohibited under Public Utilities Code 453(c). Because Pacific estimates that no significant revenue effects will result from these proposed price changes, we find Pacific's request to be reasonable.

FINDINGS

1. Pursuant to Pacific's Advice Letter 15580, filed July 12, 1989, the Commission granted Pacific authority to establish Schedule Cal.P.U.C. No. A9.5.3 to provide California 900 Service on a twenty-four (24) month provisional basis from July 14, 1989 through July 13, 1991.
2. On July 2, 1991, the Commission extended Pacific's authority to offer its California 900 service until November 19, 1991 or until further notice of the Commission.
3. On August 12, 1991, Pacific filed Advice Letter No. 16038 requesting modifications to its provisional California 900 tariff incorporating additional consumer safeguards, changing billing and transport rates, and requesting permanent authority for its California 900 service.
4. The Commission expects that the consumer safeguards established in D.91-03-021 be uniformly applied to all (interLATA and intraLATA) 900 services in California, and will not approve a permanent tariff for 900 service which does not include all of the safeguards established by D.91-03-021.
5. Pacific's request to modify Schedule Cal.P.U.C. No. A9.5.3 to include additional consumer safeguards established in D.91-03-021 is reasonable and should be approved.
6. Due to technical reasons, Pacific is unable to comply with the requirement to provide advance notification to its business customers (D.91-03-021, Ordering Paragraph 4j) until approximately January 1, 1992.
7. Expiration of Pacific's currently effective provisional tariff would cause an interruption in the services provided under Schedule Cal. P.U.C. No. A9.5.3 (California 900 Service), and could result in harm to those customers presently receiving service under this tariff.
8. The billing and transport rate changes requested by Advice Letter No. 16038 are intended to establish parity between what Pacific charges Information Providers (IPs) for its own California 900 service and what Pacific plans to charge IECs for transport and billing of IEC 900 services.
9. Parity in billing and transport prices charged to IECs and Pacific's own California 900 service customers will avoid discriminatory rates prohibited under Public Utilities Code 453(c).

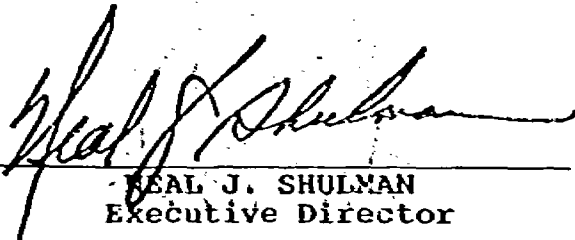
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10. Pacific estimates that no significant revenue effects will result from its proposed price changes.
11. Pacific's request to change billing and transport prices is reasonable and should be approved.

THEREFORE, IT IS ORDERED that:

1. The authority granted pursuant to Advice Letter No. 15580, filed July 12, 1989, and extended until November 19, 1991 by Commission Resolution T-14509, is hereby extended until February 1, 1992 or further order of the Commission.
2. Pacific Bell's request in Advice Letter No. 16038 for permanent tariff authority is denied.
3. Pacific Bell's request in Advice Letter No. 16038 to change billing and transport prices, modify service requirements, and offer additional consumer safeguards is granted.
4. Advice Letter No. 16038 and the accompanying tariff sheets shall be marked to show this Resolution's number and effective date.
5. The effective date of this Resolution is today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 11, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

Commissioner Patricia M. Eckert,
being necessarily absent, did
not participate.