

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14645
Telecommunications Branch October 23, 1991

R E S O L U T I O N

RESOLUTION T-14645. GTE CALIFORNIA INCORPORATED.
REQUEST FOR AUTHORITY TO ESTABLISH GROUND START
CONNECTION AND ASSUME DIAL "9" AS NEW CENTRANET SERVICE
OPTIONS.

BY ADVICE LETTER NO. 5337, FILED AUGUST 6, 1991.

SUMMARY

GTE California Incorporated (GTEC) by Advice Letter No. 5337, filed August 6, 1991 requests authority under General Order No. 96-A (G.O. 96-A) to establish Ground Start Connection and Assume Dial "9" as new CentraNet service options.

Centex Telemanagement, Inc. (Centex) filed a protest to Advice Letter No. 5337 on August 26, 1991. GTEC filed its response to the protest of Centex on September 3, 1991. Centex filed a rebuttal to GTEC's response on September 13, 1991. The Advice Letter is rejected. The protest is granted to the extent it agrees with Finding Nos. 1, 2, 3 and 4 of this Resolution. GTEC is instructed to amend its filing for Implementation Rate Design (IRD) to include the services proposed in Advice Letter No. 5337.

BACKGROUND

For the purpose of signaling, CentraNet access lines are normally provided with loop-start connections at the central office while PBX trunks are provided with ground-start connections. Some customers need to connect CentraNet lines to their PBX's so that they can interconnect multiple locations and various types of systems/equipments (CentraNet, PBX's and Hybrid Key systems, etc.). For these situations, ground-start connections are needed at the central office in order to avoid call collisions. Call collision occurs when a PBX caller without ground-start dials an outside line and instead is connected to an incoming call. GTEC has been providing ground-start connections with some CentraNet access lines at no extra charge. GTEC has discontinued this practice for new customers and now proposes to charge an extra \$4.75 per month for Ground Start Connection.

Assume Dial "9" is an optional CentraNet feature which eliminates the need for a subscriber to dial the digit "9" before accessing telephone numbers outside of his CentraNet customer group.

PROTESTS to Advice Letter No. 5337.

Centex filed a protest to Advice Letter No. 5337 on August 26, 1991. Centex's reasons for requesting the Commission to modify or reject the Advice letter are summarized as follows:

- o The proposed rates for Ground Start Connection and Assume Dial "9" are discriminatory and excessive.
- o Ground Start Connection and Assume Dial "9" should be provided at no additional charge.
- o Assume Dial "9" must be unbundled from Ground Start Connection.
- o GTEC should be required to offer Ground Start Connection on an interim basis at no additional charge.

GTEC's response to the protests is summarized as follows:

- o The cost to provide the service is fully supported in the cost-support data submitted to the CPUC.
- o There is absolutely no merit to Centex's claim that the proposed fee structure lacks credibility and should be eliminated or reduced.
- o There is no justification for offering Assume Dial "9" except with Ground Start Connection.

DISCUSSION

The rates for a CentraNet access line and a PBX trunk are both \$9.10 per month. The CentraNet access line is normally provided with a loop-start connection and the PBX trunk is provided with ground start connection. To charge a CentraNet customer, an extra \$4.75 per month for having ground-start connection instead of loop start connection, raises a question of discriminatory access.

Since some CentraNet customers are provided ground-start connection at no extra charge, the proposed rate of \$4.75 for Ground Start Connection is really a rate increase. GTEC states that its cost to provide ground-start connection is not recovered in its basic CentraNet access rate of \$9.10 and that it is reasonable to establish a rate to recover this cost. Increasing a rate to recover cost may be reasonable but since this is a major increase the proper procedure is to file a formal application as required by G.O. 96-A.

If GTEC intends to exempt existing customers from this rate increase (neither Advice Letter No. 5337 nor the proposed tariffs made this point clear), then this raises questions of discriminatory pricing.

This matter of charging extra for ground-start connection has been a controversial issue. Pacific Bell requested a similar rate increase by Advice Letter No. 15867 on January 23, 1991. Nine protests were filed. Pacific, after further consideration,

withdrew the request for the rate increase and continued to provide the service without additional charge.

We are unconvinced that Assume Dial "9" has to be bundled with Ground Start Connection but we shall reserve judgement on this matter as well as on the question of whether the proposed rates are excessive. More input from other interested parties on these issues will certainly be helpful.

In summary, there is no dispute that the services proposed by GTEC are in demand and should be provided. However, this filing is controversial and the resolution of the complex issues that have surfaced is really beyond the scope of an advice letter filing. In addition, an advice letter filing is not the appropriate vehicle for requesting a major rate increase. Furthermore, we are aware that Centex has been trying to get Ground Start Connection service from GTEC for two years without success. Therefore we shall direct GTEC to present the request for authority to establish Ground Start Connection and Assume Dial "9" as new CentraNet service options in the Implementation Rate Design phase of I.87-11-033.

FINDINGS

1. GTEC has been providing ground-start connections with some basic CentraNet access lines at no extra charge.
2. An Advice Letter filing is not the appropriate vehicle to seek the major rate increase as requested in Advice Letter No. 5337 for Ground Start Connection.
3. Resolution of the complex issues raised in this filing is beyond the scope of an advice letter filing.
4. The appropriate forum for resolution of the issues raised in Advice Letter No. 5337 is an evidentiary hearing such as the one scheduled for Implementation Rate Design.

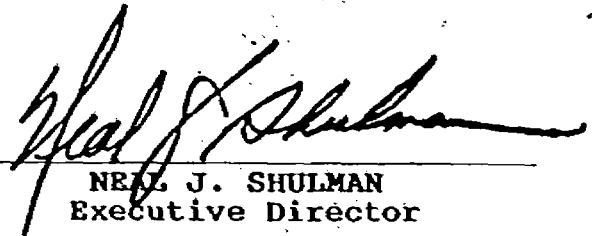
THEREFORE, IT IS ORDERED that:

1. Advice Letter No. 5337 is rejected without prejudice.
2. The Protest is granted to the extent it agrees with Finding Nos. 1, 2, 3 and 4 of this Resolution.

3. GTEC shall present the request for authority to establish Ground Start Connection and Assume Dial "9" as new CentraNet service options in the Implementation Rate Design phase of I.87-11-033.

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 October 23, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

PATRICIA M. ECFERI
President
JOHN B. CHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners