

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14816
Telecommunications Branch February 5, 1992

R E S O L U T I O N

RESOLUTION T-14816. PACIFIC BELL. ORDER CONCERNING
PACIFIC BELL'S REQUEST TO PROVIDE MECHANIZED SUMMARY
BILLING SERVICE TO AMERICAN SAVINGS BANK, F.A. UNDER A
CUSTOMER SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 16148, FILED ON JANUARY 6, 1992.

SUMMARY

Pacific Bell (Pacific), by Advice Letter No. 16148, filed on January 6, 1992 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) to American Savings Bank F.A. (American Savings) under a customer specific contract. American Savings currently takes MSBS under tariff.

This Resolution authorizes Pacific to provide MSBS to American Savings under a contract at rates which are discounted from the tariff rates for this service. Pacific estimates the revenue impact of this filing is a decrease in annual revenue of \$28,071 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. Although MSBS is a

Category II Service, it does not contain monopoly building blocks; therefore imputation is not necessary for this contract.

The contract filed under Advice Letter No. 16148 covers the provision of MSBS to American Savings. MSBS is a supplemental billing service which allows numerous accounts of American Savings, 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 American Savings for 1,000 auxiliary accounts at takeover for a period of five years for a one-time prepayment of \$28,464. A maximum of 5,000 auxiliary accounts may be added to the system at an additional monthly rate of \$0.65 per account. The nonrecurring charge for adding auxiliary accounts over the quantity of 1,400 or over the quantity of accounts existing on the effective date of this agreement, if less than 1,400 on that date, shall be the prevailing tariff charge.

Pacific indicates that Commission authorization of this contract will result in a decrease in annual revenue of \$28,071 for the first year of the contract.

NOTICE/PROTESTS

Pacific states that a copy of the Advice Letter and related tariff sheets was mailed to competing and adjacent utilities and/or other utilities and to the customer named in the contract. Also the Advice Letter was listed in the Commission's Daily Calendar of January 10, 1992.

No protests have been filed on Pacific's Advice Letter No. 16148.

DISCUSSION

In reviewing Advice Letter No. 16148, 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. 16148 on January 6, 1992 requesting Commission authorization to provide MSBS to American Savings 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 \$28,071 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 American Savings contract.

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

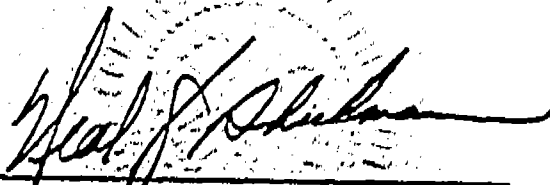
February 5, 1992

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Advice Letter No. 16148 and the contract between Pacific Bell and American Savings Bank, F.A. effective on February 6, 1992.
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-14816.

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 February 5, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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