

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Branch
Commission Advisory and Compliance Division

RESOLUTION T-14988
June 3, 1992

R E S O L U T I O N

RESOLUTION T-14988. PACIFIC BELL (U-1001-C). REQUEST FOR EMERGENCY AUTHORITY TO PROVIDE FREE OR REDUCED RATES FOR TELECOMMUNICATIONS SERVICES TO BUSINESS AND RESIDENCE CUSTOMERS IN AREAS OF SOUTH CENTRAL LOS ANGELES.

BY ADVICE LETTER NO. 16240, FILED ON MAY 19, 1992.

SUMMARY

Pacific Bell (Pacific) is granted emergency authority to deviate from filed tariffs for sixty days from the date of this Resolution to provide special price changes and arrangements for residence and business customers in areas of South Central Los Angeles designated by the City of Los Angeles Department of Building and Safety as affected areas in a May 1992 Civil Disorder Damage Survey. Pacific requests this authority for a period of six months in its Advice Letter No. 16240, filed May 19, 1992.

Pacific may waive recurring and non-recurring charges for Remote Call Forwarding, Call Forwarding, and Voice Mail. Pacific may arrange special payment arrangements for Centrex and PBX Trunk Line Service installation and upgrade and replacement charges. Pacific may waive service installation charges for customers relocating back to the affected area or for any new business or residential customers moving into the affected area. Pacific may modify the terms of its Inside Wire repair plan to allow any customer in the affected area to utilize the plan. Pacific may waive late payment charges for bills mailed out in June to customers in the affected area. Pacific may also incur certain expenses, to be booked to nonregulated accounts, for the loan of temporary customer premises equipment (CPE) through sales agents to existing or new Centrex customers in the affected area.

Pacific will not seek compensation for revenues foregone or administrative costs incurred in association with the emergency plan proposed in Advice Letter No. 16240.

Although 10-day advance notice of this Resolution did not appear in the Commission Agenda as required by the Government Code Section 11125, this matter is appropriate to consider as an

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emergency item pursuant to Public Utilities Code 306(b) and Rule 81.5 of the Commission's Rules of Practice and Procedure, in that it addresses urgent needs in the area of recent riots in Los Angeles and is necessary on an urgent basis. Since time is of the essence, we make Advice Letter No. 16240 effective immediately.

BACKGROUND

Shortly after the recent civil disturbances of South Central Los Angeles, Pacific contacted the Commission Advisory and Compliance Division (CACD) to inform CACD of Pacific's plan to offer free Voice Mail, Call Forwarding and Remote Call Forwarding for 30 days to residence and business customers in the affected areas. This measure was designed to enable community members to continue to receive calls and messages even if they were unable to return to their place of residence or business. Pacific also advised CACD of its plan to adjust late payment charges and to treat customers with understanding by making bill payment arrangements. Pacific received concurrence from CACD for its plans.

Since its initial urgent response to the needs of its customers, Pacific has developed a longer-range plan to help the Los Angeles area recover from the damage that occurred during the unrest. Pacific proposes the following price changes and arrangements for residence and business customers in the affected areas of South Central Los Angeles:

- 1) Recurring and Nonrecurring Charges - Remote Call Forwarding, Call Forwarding and Voice Mail will be available to customers free of charge (recurring rates and nonrecurring charges) for a period of six months from the effective date of the Advice Letter. At the end of the six month period, Pacific will contact each customer to determine whether the service should be disconnected or if requested by the customer, continued at full tariff rates.
- 2) Centrex and PBX Trunk Line Service - Installation charges for both PBX Trunk Line Service and Centrex business systems will be payable over terms of up to 12 months. Business customers who elect to install either PBX or Centrex systems as an upgrade or replacement to their original systems will be able to work out payment arrangements for the difference between the existing tariffed installation charges for Centrex or PBX service and the installation charges to restore their original service. These payment arrangements may be negotiated in various term plans for 2-12 months in duration. These plans will be available for six months from the effective date of the Advice Letter.
- 3) Relocation - All service installation charges for customers relocating to the affected area will be waived for six months from the effective date of the Advice Letter. This applies to residential and business customers

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who may have already had their original service transferred to a location outside of the affected area at no charge. As these customers transfer service back into the affected area, Pacific will waive the installation charges that would normally apply to restore the customers' original subscriber access service. Pacific will also waive regulated subscriber access installation charges of up to \$1,000.00 for any new business or residential customers who decide to move into the affected area during the six month period.

4) Inside Wire - The terms of Pacific's monthly Inside Wire repair plan will be modified during the six month period. Normally, a customer's inside wire would need to be completely intact in order for them to join the repair plan. During this six month period, Pacific will allow any customer in the affected area to sign up for the repair plan at existing tariff rates regardless of the current condition of their inside wire. This temporary change will allow many customers to have service restored to one working jack for each line in service without having to pay the existing labor rates that would normally apply. (Customers who are already on the monthly repair plan will have similar repairs made at no additional expense to them, per the existing Inside Wire tariff.)

5) Temporary CPE Loans - Under Pacific's current joint CPE marketing program, arrangements have been made to loan CPE terminal equipment to existing or new Centrex customers. Pacific has an ongoing business relationship with a vendor who offers CPE that is designed to plug-in to Centrex systems. A special arrangement has been negotiated with this vendor a part of this six month plan. Pacific will arrange for CPE to be provided to Centrex customers in the affected area free of charge for six months. At the end of the six month period, Pacific will contact each customer to arrange for the return of any loaned equipment. Pacific will book the cost of all CPE loan activities to nonregulated accounts, consistent with existing cost allocation methods for CPE joint marketing. If a customer prefers to purchase rather than return any CPE equipment at the end of the six month period, it will be available for sale at discounted rates. These discounted rates are designed to cover the CPE vendor's costs only.

6) Late Payment Charge - The Late Payment Charges for bills mailed out in June to customers in the affected area will be automatically waived. In this case, the affected area is defined by prefix rather than by the city's street addresses. This is necessary in order to allow Pacific's billing systems to automatically adjust late payment charges.

Pacific specifies the affected areas of South Central Los Angeles to be those defined by a list of addresses provided by the City of Los Angeles Department of Building and Safety, which

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is attached to the Advice Letter. Approximately 1000 addresses are listed.

Pacific states that administrative expenses associated with managing the plan as well as certain revenues that otherwise would have been generated will be foregone. Pacific will not seek compensation from the Commission to recover these foregone revenues. The plan will reduce overall company earnings, and additional expenses Pacific incurs to manage the plan will be reflected in its analysis of sharable earnings (except for expenses associated with Joint Marketing of CPE, which will be charged against below-the-line accounts).

PROTESTS

Notice of Advice Letter No. 16204 was published in the Commission's Daily Calendar on May 22, 1992. As required by our General Order 96-A, Pacific mailed copies to competing and adjacent Utilities, and interested parties, as requested. Although we have acted prior to elapse of the formal protest period permitted by our General Order 96-A, parties wishing to protest this filing may do so pursuant to that General Order. Timely protests will be considered and addressed in a subsequent Resolution.

DISCUSSION

We believe that it is in the public interest to grant Pacific immediate authority to deviate from its tariffs to exercise the emergency plan proposed in its Advice Letter No. 16240. We commend Pacific's concern for its subscribers in the affected areas of civil disturbance, and encourage its continued cooperation with the business and community team leaders active in the Los Angeles area recovery.

Notice of this matter did not appear on the Commission's public agenda; however an emergency exists in that the recent riots in Los Angeles have created an urgent need to restore telecommunications and other services to the affected area. The Commission recognizes that some of the proposed service changes involve competitively offered services (e.g., Voice Mail, Inside Wire). Because some competitive services are affected by this filing and because we have acted on this request prior to the expiration of the period established for parties to file protests, we will grant provisional authority for a period of time sufficient to consider protests and to further consider whether the proposed service changes should be offered for the entire period requested. Therefore, we will provisionally authorize Pacific's request for a period of sixty days.

This emergency situation and the temporary nature of the approval being given justifies our action today under Public Utilities Code Section 306(b). During the sixty days for which provisional authority has been granted by this Resolution, we will consider any timely protests to Advice Letter No. 16240 and

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may take additional action, including but not limited to extending our authorization to the six month period requested by Pacific.

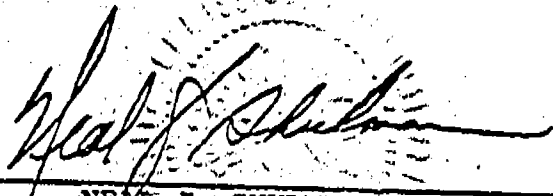
FINDINGS

1. We find it to be in the public interest to make Pacific's Advice Letter No. 16240 effective immediately.
2. We require additional time to consider protests and to further consider whether the proposed service changes should be offered for the entire period requested.

THEREFORE, IT IS ORDERED that:

Pacific Bell's Advice Letter No. 16240, filed May 19, 1992, is authorized for a period of sixty days.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 3, 1992. The following Commissioners approved it:



NED J. SHULMAN
Executive Director

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