

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14999
Telecommunications Branch June 17, 1992

R E S O L U T I O N

RESOLUTION T-14999. PACIFIC BELL. REQUEST TO PROVIDE CENTREX SERVICE AND DIRECT INWARD DIALING PRIVATE BRANCH EXCHANGE TRUNK LINE SERVICE TO CHILDRENS HOSPITAL AND HEALTH CARE UNDER A CUSTOMER SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 16245, FILED ON MAY 21, 1992.

SUMMARY

Pacific Bell (Pacific) requests authority under provisions of General Order No. 96-A (G.O. 96-A) and Decision Nos. (D.) 88-09-059 and 91-01-018 to deviate from filed tariff schedules in order to provide Centrex service and Direct Inward Dialing (DID) equipped Private Branch Exchange (PBX) Trunk Line Service to Childrens Hospital and Health Care (Childrens Hospital) under a customer specific contract. Childrens Hospital currently takes these services under tariff.

This Resolution authorizes Pacific to provide Centrex and DID services under a contract at rates which are discounted from the tariff rates. Pacific estimates that the revenue impact of this filing is a decrease in annual revenue of \$16,730 for the first year of the contract.

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, such as Centrex service, 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. Additional specifications for advice letter filings requesting authorization to provide service under contract are provided in Resolution Nos. T-13091 and T-13069.

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, D.91-01-018 has tempered this requirement until a further decision on this matter is issued. In the interim, LECs may file advice letters for Centrex and/or PBX contracts using the pricing methodology approved by the Commission in D.88-09-059. D.91-01-018 requires that Pacific offer Centrex-equivalent services under contract to customers who prefer to use a customer-owned PBX.

Centrex is a central office based communications system equipped with primary station lines capable of receiving direct in-dialed calls and capable of direct out-dialing of calls with optional features. DID allows inward calls to a PBX to be completed to specific PBX stations without attendant assistance.

The contract filed under Advice Letter No. 16245 covers the provision of Centrex service and DID service to Childrens Hospital. Under the terms of the contract, Pacific agrees to provide 100 Centrex lines and features, 77 PBX trunks, 45 DID trunks, and 600 DID station numbers for a period of three years at a monthly rate of \$2,789.

The rates and charges for growth for each Centrex station and trunk line, and associated system and station features are \$12.53 per line. Rates and charges for additional Centrex lines or additional PBX trunks, DID trunks and DID Station numbers over the maximum contract quantities, or at additional locations shall be determined by Pacific. Such rates and charges should be priced at or above the higher of LMB+EUCL or direct embedded costs. Nonrecurring charges for growth trunks will be at the prevailing tariff rate.

Pacific indicates that Commission authorization of this contract will result in a decrease in annual revenue of \$16,730 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. Advice Letter No. 16245 was listed in the Commission's Daily Calendar of May 26, 1992.

No protests to Advice Letter No. 16245 were filed.

DISCUSSION

Pacific requests a special contract to provide Centrex and DID services to Childrens Hospital. Pacific states that the customer's request for a fixed price with a set term could not be provided under tariff and therefore was offered under contract.

This contract for DID service is offered under D.91-01-018 which was the Decision resulting from Pacific's petition to clarify and/or modify D.89-10-031 and D.90-04-031. D.91-01-018 allows Pacific to file advice letters transmitting all Centrex contracts that are priced at or above the higher of LMB+EUCL or direct embedded costs.

D.91-01-018 made it clear, however, that in allowing Centrex contracts to be priced under tariff levels, we were intent on avoiding pricing policies that would discriminate against users who preferred private branch exchange service over Centrex service. We said that ". . . Pacific and all other LECs will also offer Centrex-equivalent services under contract to customers who prefer to use a customer-owned PBX of a similar capacity." We required further that "[i]n all such cases Pacific and the LECs will use comparable pricing for functionally equivalent Centrex and PBX systems on a nondiscriminatory basis. . . ."

The proposed services conform to the existing contract guidelines and are appropriate services to be offered under a 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.

FINDINGS

1. Pacific Bell filed Advice Letter No. 16245 on May 21, 1992 requesting Commission authorization to provide Centrex and DID services to Childrens Hospital under a customer specific contract.
2. The Advice Letter and the contract conform to the requirements of Decision Nos. 88-09-059 and 91-01-018, Resolution Nos. T-13069 and T-13091, and G.O. 96-A.
3. Authorization of the Childrens Hospital contract will result in an estimated decrease in Pacific's annual revenue of \$16,730 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 Childrens Hospital contract.
5. The rates, charges, terms and conditions of the contractual services in this Resolution are just and reasonable.

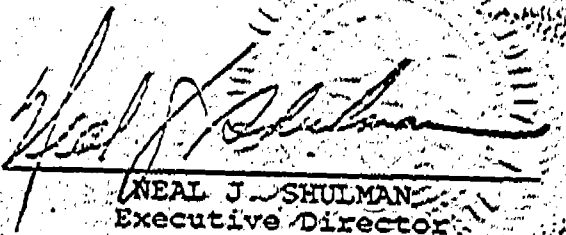
June 17, 1992

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Advice Letter No. 16245, the associated tariff sheets and the Pacific Bell contract effective on June 18, 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-14999.

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 17, 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