

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15014
Telecommunications Branch July 22, 1992

R E S O L U T I O N

RESOLUTION T-15014. PACIFIC BELL. REQUEST TO PROVIDE CENTREX OFF-PREMISES INTRA/INTER-EXCHANGE DISTRICT AREA MILEAGE AND CHANNEL TERMINATIONS SERVICE TO BANK OF AMERICA N.T. & S.A. UNDER A CUSTOMER SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 16252, FILED ON JUNE 4, 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 off-premises intra/inter-exchange district area mileage and channel terminations service to Bank of America N.T. & S.A. (BOA) under a customer specific contract. BOA currently takes this service under tariff.

This Resolution authorizes Pacific to provide the previously mentioned service 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 \$785,767 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 relieves Pacific from meeting these requirements until a further decision on this matter is issued. In the interim, LECs may file advice letters for Centrex contracts using the pricing methodology approved by the Commission in D.88-09-059.

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. Off-premises service gives Pacific the ability to interconnect BOA's locations which are not collocated with the primary service address, thereby allowing locations which are in different central office serving areas to be served from the same central office.

The contract filed under Advice Letter No. 16252 covers the provision of Centrex service to BOA. This is modification 2 to the original BOA Centrex service contract, approved by the Commission in Resolution T-14052 effective July 3, 1991.

Under the terms of the contract, Pacific agrees to provide Centrex off-premises station mileage and channel terminations at a monthly rate of \$10.30 per channel termination and \$1.26 per mile. Rates are billed on a per unit basis for each channel termination and mile of usage, with no minimum or maximum contract quantities requirements. There are 3,345 off-premises exchange lines in service at cutover. This contract expires with the original BOA Centrex service five year agreement.

Pacific indicates that Commission authorization of this contract will result in a decrease in annual revenue of \$785,767 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. 16252 was listed in the Commission's Daily Calendar of June 8, 1992.

No protests to Advice Letter No. 16252 were filed.

DISCUSSION

Pacific requests a special contract to provide Centrex off-premises intra/inter-exchange district mileage and channel terminations service. 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.

In reviewing Pacific's Advice Letter filing requesting authorization to provide Centrex service under contract, 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 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 first enters into a protective agreement. The Division of Ratepayer Advocates is excepted from this requirement.
- d. The rates and charges set forth in the contract cover the direct cost of providing the Centrex service offered under terms of the contract.
- e. The monthly rate per line, excluding nonrecurring charges, for Centrex service under the terms of the contract is greater than the sum of the present one-party business measured service rate and the multi-line End User Common Line charge per month per line (LMB+EUCL).
- f. The Advice Letter indicates that the costs and revenues associated with the contract will be tracked.
- g. Pacific has offered to provide the customer deaveraged PBX trunk rates under contract, at rates determined by the same cost methodology used to determine the contract Centrex line rate.

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.

July 22, 1992

FINDINGS

1. Pacific Bell filed Advice Letter No. 16252 on June 4, 1992 requesting Commission authorization to provide Centrex off-premises intra/inter-exchange district area mileage and channel terminations service under a customer specific contract to BOA.
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. Pacific states that authorization of the BOA contract will result in an estimated decrease in its annual revenue of \$785,767 for the first year of the contract.
4. 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 BOA contract.
5. The rates, charges, terms and conditions of the contractual services approved in this Resolution are just and reasonable.

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Advice Letter No. 16252, the associated tariff sheets and the Pacific Bell contract effective on July 23, 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-15014.

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 July 22, 1992. The following Commissioners approved it:

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


NEAL J. SHULMAN
Executive Director