

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15039
Telecommunications Branch August 11, 1992

R E S O L U T I O N

RESOLUTION T-15039. PACIFIC BELL. REQUEST TO PROVIDE PRIVATE LINE CHANNEL SERVICE TO NORDSTROM UNDER A CUSTOMER SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 16255, FILED ON JUNE 8, 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 dedicated private line channel service to Nordstrom under a customer specific contract. Nordstrom currently takes this service under tariff.

This Resolution authorizes Pacific to provide dedicated private line service to Nordstrom 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 \$69,263 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, such as private line 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 private line service contracts are provided in D.89-10-031.

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, in D.89-10-031, high speed digital private line products and services were deemed a Category II service. This offering is discretionary, contains no monopoly building blocks and the imputation requirement is not applicable.

Dedicated private line channel service is commonly known as high capacity digital service (HCDS) or T-1 lines. HCDS (T-1) is a dedicated private line channel service suitable for the transmission of digital signals of up to 1.544 megabits per second.

Under the terms of the contract, Pacific agrees to provide 27 T-1 lines to Nordstrom for a period of three years at a monthly rate of \$15,343. Growth is not included as an option in this contract pricing.

Pacific indicates that Commission authorization of this contract will result in a decrease in annual revenue of \$69,263 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 July 15, 1992.

No protests to Advice Letter No. 16255 were filed.

DISCUSSION

In reviewing Advice Letter No. 16255, 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 contract provides for the offering of HCDS which is an appropriate service for offering under a contractual arrangement.
- e. 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.
- f. The Advice Letter indicates that the costs and revenues associated with the contract will be tracked.
- g. 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 requirement 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. 16255 on June 8, 1992 requesting Commission authorization to provide HCDS to Nordstrom 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. Pacific states that authorization of the Nordstrom contract will result in an estimated decrease in its annual revenue of \$69,263 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 Nordstrom contract.
5. The rates, charges, terms and conditions of the contractual service approved in this Resolution are just and reasonable.

August 11, 1992

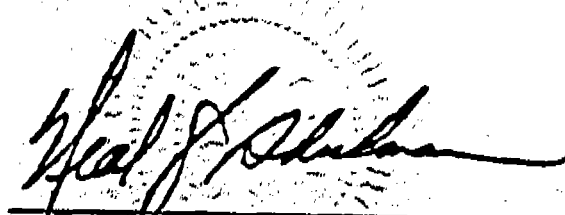
THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Advice Letter No. 16255, the associated tariff sheets and the Pacific Bell contract effective on August 12, 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-15039.

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 August 11, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.