

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
COMMISSION ADVISORY AND COMPLIANCE DIVISION    RESOLUTION T-15147  
Telecommunications Branch                            November 6, 1992

R E S O L U T I O N

RESOLUTION T-15147. PACIFIC BELL. REQUEST TO EXTEND  
THE PROVISIONAL OFFERING OF PRIMARY RATE INTEGRATED  
SERVICES.

BY ADVICE LETTER NO. 16350, FILED ON OCTOBER 9, 1992.

SUMMARY

Pacific Bell (Pacific) requests authority under provisions of General Order No. 96-A (G.O. 96-A) to revise Schedule Cal. P.U.C. No. A18, Integrated Services, 18.2, Primary Rate Integrated Services (Primary Rate IS), to extend the provisional offering of Primary Rate IS an additional 24 months.

This Resolution approves Pacific's request. Pacific estimates that annual revenues are not affected by this filing. No protests to the Advice Letter were filed.

BACKGROUND

Primary Rate IS is a network interface that provides connection of high capacity systems to the public switched network. Primary Rate IS provides the customer with up to 1.536 megabits per second of information and signaling.

Primary Rate IS is made available by adding to Pacific's existing central office switching equipment software and hardware that are based on an international set of standards known as ISDN (Integrated Services Digital Network). ISDN divides the standard two-wire telephone line (the local loop) into three digital channels capable of simultaneous transmission of voice and data.

The Commission, by Resolution T-14188, dated November 21, 1990, authorized Pacific to offer Primary Rate IS on a provisional basis. In that Resolution the provisional offering of Primary Rate IS was approved to facilitate customers' ability to try ISDN and to provide Pacific with tracking data for analysis of the application, demand, price and cost of Primary Rate IS to be used in the development of a permanent tariff. The Primary Rate IS provisional tariff is scheduled to expire on November 22, 1992.

### 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 interested parties. Also the Advice Letter was listed in the Commissions' Daily Calendar of October 15, 1992.

No protests of Pacific's Advice Letter No. 16350 have been filed.

### DISCUSSION

Pacific says it took a conservative approach in implementing Primary Rate IS because the service was based on a new and developing technology in which changes were expected. The initial 24-month provisional period was intended to produce information for analysis of product applications, customer demands, and product price and cost. However, according to Pacific, the Primary Rate IS market has been developing slower than expected and the results from the 2-year trial are inconclusive.

ISDN technology is still evolving and is expected to undergo significant changes in the 1993/1994 time frame, at which time Pacific plans to introduce new and enhanced services that use ISDN technology. Pacific's two major vendors (AT&T and Northern Telecom) expect to have national ISDN software packages available soon, which ensure compatibility of both customer premises equipment (CPE) and interswitch features and services.

Pacific believes that efforts by these vendors will lead to marked growth in applications, accompanied by a decrease in CPE costs, which in turn will lead to higher customer acceptance of Primary Rate IS.

The Commissions' authorization of a 24-month extension of the Primary Rate IS provisional tariff should allow Pacific to collect the necessary information to decide marketing strategy and to determine if a permanent Primary Rate IS tariff is warranted.

### FINDINGS

1. Pacific Bell's provisional tariff for Primary Rate IS, authorized by Resolution T-14188, is scheduled to expire on November 22, 1992.
2. Pacific Bell filed Advice Letter No. 16350 on October 9, 1992, requesting Commission authorization to extend the provisional offering of Primary Rate IS.
3. Primary Rate IS actual volumes and revenues are lower than forecasted in the original provisional tariff request.

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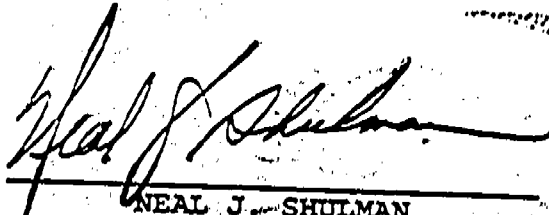
4. An extension of the provisional offering for Primary Rate IS for 24 months is needed to enable Pacific to introduce new feature enhancements with the current product and to collect additional market information to evaluate product application, customer demand, and product price and cost.

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Advice Letter No. 16350 and the associated tariff sheets effective November 7, 1992.
2. The expiration date for Pacific Bell's Provisional Primary Rate IS (due to expire on November 22, 1992), is extended to November 22, 1994.
3. The Advice Letter and tariff sheets 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-15147.

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 November 6, 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