

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15150
Telecommunications Branch November 6, 1992

R E S O L U T I O N

RESOLUTION T-15150. CONTEL- REQUEST TO RENEW THE
PROVISIONAL OFFERING OF INTEGRATED SERVICE DIGITAL
NETWORK.

BY ADVICE LETTER NO. 946, SUPPLEMENT B, FILED ON
SEPTEMBER 3, 1992.

SUMMARY

Contel of California, Inc. (Contel) by Advice Letter No. 946, Supplement B, requests authority to revise Schedule Cal. P.U.C. No. A-40-Digital Centrex Service, to renew the provisional offering of Integrated Service Digital Network (ISDN) for an additional 24 months.

This Resolution authorizes Contel's request. Contel estimates no change in annual revenue from this filing. No protests to this Advice Letter were filed.

BACKGROUND

ISDN is a local exchange telecommunications service that provides an integrated voice/data communications capability for the transmission of circuit switched voice, circuit switched data and packet switched data on an incoming and outgoing basis over Centrex primary and semi-restricted lines, utilizing ISDN architecture. The service is available from specially equipped digital switching equipment located in Contel's central offices.

The Commission, by Resolution T-14093, dated July 6, 1990, authorized Contel to offer a 24-month provisional ISDN service. In that resolution, Contel requested a provisional tariff to allow it the flexibility to enter the market and to fully assess customer requirements and demands. This assessment was to be used to gauge feature enhancements and/or pricing adjustments that might be incorporated in a permanent filing.

The provisional tariff was inadvertently allowed to expire on July 7, 1992, prior to Contel's filing Advice Letter No. 946 requesting authority to make ISDN permanent.

Contel has subsequently decided that it is in its customers' best interest to renew this provisional tariff offering in order to further study the feasibility of offering the service on a

permanent basis. By Advice Letter No. 946, Supplement B, Contel requests authority to renew its ISDN provisional tariff for 24 months.

Contel indicates that authorization of this Resolution will have no revenue impact.

NOTICE/PROTESTS

Contel states that copies of the Advice letter were mailed to competing and adjacent utilities and/or other utilities. Advice Letter No. 946, Supplement B was listed in the Commission's Daily Calendar of September 8, 1992.

No protests to Contel's Advice Letter No. 946, Supplement B, have been filed.

DISCUSSION

Contel's initial 24-month provisional offering was intended to gain information for analysis of product applications, customer demands, product price and cost. However, the ISDN market has developed more slowly than Contel predicted and the results, after 24 months of trial, are inconclusive. Contel is now requesting authority to renew its current provisional ISDN tariff to allow it additional time to collect data needed for decisions on marketing strategy and to determine if a permanent ISDN tariff is warranted.

We shall authorize Contel's request to extend its provisional ISDN tariff through July 7, 1994. However, we are concerned that Contel allowed its provisional tariff to expire prior to requesting an extension and make official note that Contel is in non-compliance with Ordering Paragraph 3 of Resolution T-14093, which directed Contel to submit an advice letter to the Commission, prior to ISDN's expiration date (July 7, 1992), requesting that the service be made permanent, changed, extended or withdrawn.

FINDINGS

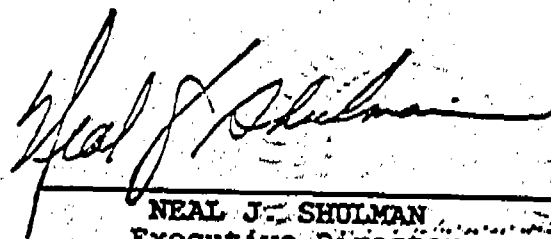
1. Contel filed Advice letter No. 946, Supplement B on September 3, 1992 requesting Commission authorization to renew its provisional ISDN service (which expired on July 7, 1992) for 24-months.
2. Actual ISDN volumes and revenue are lower than forecasted.
3. A renewal of the provisional offering for ISDN is needed to enable Contel to collect market information needed to evaluate customer demands, product price and cost.
4. The rates, charges, terms and conditions authorized in this resolution are just and reasonable.

THEREFORE, IT IS ORDERED that

1. Authority is granted to make Advice Letter No. 946, Supplement B, and associated provisional tariff sheets effective on November 7, 1992.
2. This provisional tariff expires July 7, 1994.
3. Prior to the expiration date (July 7, 1994) of this provisional service, Contel shall submit an advice letter to the Commission requesting that the service be made permanent, changed, extended or withdrawn.
4. Contel shall track recurring and nonrecurring costs, in-service and outward movement volumes, and recurring and nonrecurring billings for this trial offering.
5. The advice letter and tariff schedule revisions 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-15150.

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