PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15709
Telecommunications Branch January 24, 1995

RESOLUTION

RESOLUTION T-15709. PACIFIC BELL. REQUEST TO OPEN A CENTRAL OFFICE CODE FOR THE EXCLUSIVE USE OF HEWLETT-PACKARD COMPANY UNDER A CUSTOMER-SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 17193 FILED ON DECEMBER 19, 1994.

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, 91-01-018 and 94-09-065 to provide a central office code, commonly referred to as a prefix, for the exclusive use of Hewlett-Packard Company (Hewlett-Packard) under a customer-specific contract. Opening of a central office code is a non-tariffed service.

This Resolution authorizes Pacific's request. Pacific estimates the revenue impact of this filing will be a one-time increase of $15,800.

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 central office codes for the exclusive use of a customer 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 imputation, unbundling and nondiscriminatory access adopted in D.89-10-031 and that prices for monopoly utility services will be based on their underlying costs. The Commission by D.94-09-065 clarified these principles and adopted other changes to the contracting requirements. The proposed contract complies with the contracting requirements.

An essential element of modern telephony is a numbering system wherein each station (telephone) has a unique number. With this numbering system, called destination code routing, callers may use the unique number to reach the desired station wherever the telephone may be.

The routing codes for dialing consist of two basic parts: a three-digit NPA (Numbering Plan Area) code used for toll calls, and a seven-digit telephone number used for toll calls or local calls. The seven-digit number is made up of a three-digit central office code plus a four-digit station number.

The three-digit central office code (prefix) designates the assigned serving office or end office that provides dial tone to the subscriber. Up to 10,000 station numbers per prefix may be available for use depending on the amount of numbers reserved for administrative spare terminals (codes reserved for special functions, etc.).

Hewlett-Packard is experiencing significant growth at its San Diego locations. The customer requested Pacific consolidate the phones numbers at each location into a single prefix and allow room for growth exclusively for its use. To meet the request, Pacific offered Hewlett-Packard a G.O. 96-A contract.

Under this contract, Pacific agrees to dedicate a new prefix for the exclusive use of Hewlett-Packard for a one-time payment of $15,800.

Pacific indicates that Commission authorization of this contract will result in a one-time increase in revenue of $15,800.

<u>NOTICE/PROTESTS</u>

Pacific has mailed a copy of the Advice Letter and related tariff sheet to competing and adjacent utilities and/or other utilities, and interested parties. Advice Letter No. 17193 was listed in the Commission's Daily Calendar of December 23, 1994.

No protest to the Advice Letter was filed.

DISCUSSION

Pacific proposes to provide a new prefix for the exclusive use of Hewlett-Packard under a special contract. Pacific routinely provides new prefixes to accommodate growth. New prefixes are usually established to supply additional numbers needed to accommodate the growth of all customers in a particular area, rather than one customer. The costs for opening a prefix for one customer or many customers, are similar. Most costs are directly related to the number of central offices involved in the code opening and the type of central office technology (e.g., step-by-step, crossbar, digital and analog electronics). Because of the routine nature of cutting over new prefixes and the number of prefixes Pacific has cut over, the costs to cut over are well documented.

Normally these cutover costs are borne by Pacific under the New Regulatory Framework. However, in this case, Hewlett-Packard is paying Pacific to provide a new central office code for its exclusive use. In addition, Pacific has the right to regain access to the unused numbers if Hewlett-Packard does not utilize at least 70% of the code capacity within three years of cutover.

The proposed prefix cutover covers cost, is beneficial to Pacific and to Hewlett-Packard and is not detrimental to the ratepayers. We conclude that the proposed service meets the requirements set forth in the previously mentioned orders and G.O.96-A, and should be approved. However, we must emphasize that our approval is based on the specifics of this 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. 17193 requesting Commission authorization to provide a new prefix for for the exclusive use of Hewlett-Packard under a customer-specific contract.

2. The Advice Letter and the contract conform to the requirements of Commission decisions and of G.O. 96-A.

3. Pacific states that authorization of this contract will result in an estimated one-time revenue increase of $15,800.

4. Under the terms of the contract, Pacific reserves the right to regain access to unused numbers if Hewlett-Packard does not utilize 70% of the code capacity within three years of cutover.

5. A special contract is required because Hewlett-Packard requested a non-tariffed service with a one-time payment option. Pacific could not meet the customer's needs under the current tariffs and therefore offered a customer-specific contract.

6. The rates and charges set forth in this contract cover the Direct Embedded Costs of providing the service offered under the terms of the contract.

7. The rates, charges, terms and conditions of the contractual service approved in this Resolution are just and reasonable.

8. 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 contract.

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Advice Letter No. 17193, the associated tariff sheets and the Pacific Bell contract effective on January 28, 1995.

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-15709.

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 January 24, 1995. The following Commissioners approved it:

Neal J. Shulman

NEAL J. SHULMAN
Executive Director

NORMAN D. SHUMWAY
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
Commissioners

President Daniel Wm. Fessler, being necessarily absent, did not participate.