

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15734
Telecommunications Branch July 6, 1995

R E S O L U T I O N

RESOLUTION T-15734. PACIFIC BELL. REQUEST TO PROVIDE
CENTREX FEATURES FOR FRANKLIN RESOURCES UNDER A
CUSTOMER-SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 17337 FILED MARCH 10, 1995.

SUMMARY

Pacific Bell (Pacific) requests authority under provisions of General Order No. 96-A (G.O. 96-A), Decision Nos. (D.)88-09-059 and 94-09-065 to provide non-tariffed Centrex features for Franklin Resources under a customer-specific contract. Pacific also requests that modifications to the contract that do not materially change the service offerings become effective upon Commission Advisory and Compliance Division (CACD) approval.

This Resolution authorizes Pacific's requests. Pacific estimates that the total revenue impact of this filing will be an increase of \$33,000. No protest to the Advice Letter was 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 Centrex service under contract. The Settlement provides that the contract becomes 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 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.

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. Music on Hold and Calling Name Display are non-tariffed Centrex features which will be installed on the customer's two existing Centrex systems. Music on Hold provides continuous broadcast of music and optionally a recorded announcement to callers who are on hold. Calling Name Display (used for intra-Centrex calling only) allows the customer to assign names to directory numbers of the Centrex systems. The name of calling or called party will be displayed on Electronic Business Sets for intra-Centrex calling only.

Under the terms of the five year contract, Pacific agrees to provide Music on Hold and Calling Name Display features to Franklin Resources for a one-time prepayment of \$33,000. Recurring and nonrecurring charges for the two features for additional lines are per contract.

Pacific estimates that the total revenue impact of this filing will be an increase of \$33,000.

NOTICE/PROTESTS

Pacific states that a copy of the Advice Letter was mailed to competing and adjacent utilities and/or other utilities and to the customers named in the contracts. The Advice Letter was listed in the Commission's Daily Calendar of March 17, 1995.

No protest to the Advice Letter was filed.

DISCUSSION

In reviewing the Advice Letter, we note the following:

- a. Pacific requests in the Advice Letter that the workpapers and supporting cost documentation associated with the contract be treated as confidential.
- b. The contract rates equal or exceed the LRICs of each rate element of the contract services.
- c. The Advice Letter indicates that the costs and revenues associated with the contract will be tracked.
- d. Pacific requests that contract modifications that do not materially change the service offerings become effective upon CACD approval. The request is a reasonable one; however, we note that such non-material change advice letter requests can not become effective on less than the 40 day regular notice period required by G.O. 96-A. Also, the exceptions from the "material change" are limited to the following: (a) modifications which do not result in a reduction of the revenue to cost ratio (R/C), (b) the inclusion of services from the same tariff schedule as the schedule which offers the original contract service, or (c) non-material changes that do not violate or change any other applicable Commission decisions and/or resolutions. Specifically, modifications that result in a decrease in the R/C, or changes in the price per line, are material changes and may be authorized only by Commission resolution.

We conclude that the Advice Letter meets the requirements set forth in the Commission 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 of future filings or for Commission approval of similar requests.

FINDINGS

1. Pacific filed Advice Letter No. 17337 requesting Commission authorization to provide non-tariffed Centrex features for Franklin Resources under a customer-specific contract.
2. The Advice Letter and the contract conforms to the requirements of Decision Nos. 88-09-059 and 94-09-065, Resolution Nos. T-13069 and T-13091, and G.O. 96-A.

July 6, 1995

3. It is reasonable for contract modifications to become effective upon CACD approval but no sooner than the 40 day regular notice period required by G.O. 96-A and so long as they do not materially change the service offering, consistent with the definition of "material change", above.

4. Pacific states that authorization of this contract will result in an estimated total revenue increase of \$33,000.

5. Commission authorization of this Advice Letter and the associated contract does not establish a precedent for the contents of future filings or for Commission approval of similar requests. Commission approval is based on the specifics of these contracts.

6. The rates, charges, terms and conditions of the Centrex contract approved in this Resolution are just and reasonable.

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Pacific Bell's Advice Letter No. 17337 and the associated contract effective on July 7, 1995.

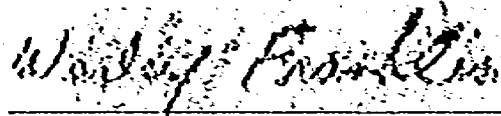
2. Contract modifications that do not materially change the service offering may become effective on no less than the 40 day regular notice period required by G.O.96-A and with Commission Advisory and Compliance Division approval.

3. The Advice Letter and contract shall be marked to show that they were authorized by Resolution T-15734.

The effective date of this Resolution is today.

July 6, 1995

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 6, 1995. The following Commissioners approved it:



Wesley M. Franklin
Acting Executive Director

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
Commissioners