

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15735
Telecommunications Branch May 24, 1995

R E S O L U T I O N

RESOLUTION T-15735. PACIFIC BELL. REQUEST TO PROVIDE
HIGH CAPACITY DIGITAL SERVICE FOR NORDSTROM UNDER A
CUSTOMER-SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 17372 FILED MARCH 30, 1995.

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 94-09-065 to deviate from filed tariff schedules in order to provide High Capacity Digital service (HCDS) for Nordstrom under a customer-specific contract.

This Resolution authorizes Pacific's request. Pacific estimates that the annual revenue impact of this filing will be a decrease of \$126,821.

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 HCDS under 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 HCDS contracts are provided in D.89-10-031.

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D.90-04-031 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 made other changes to the contracting requirements. The proposed contract complies with the contracting requirements.

HCDS or T-1 service 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 3 year contract, Pacific agrees to provide 28 T-1 circuits with 51 channel terminations at a monthly rate of \$16,794. Recurring and nonrecurring charges for additional circuits in excess of those at cutover are per contract.

Pacific estimates that the annual impact of this filing will be a decrease in revenue of \$126,821.

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. Advice Letter No. 17372 was listed in the Commission's Daily Calendar of April 3, 1995.

No protest to Advice Letter No. 17372 was filed.

DISCUSSION

In reviewing Advice Letter No. 17372, we note the following:

- a. Each service category offered under the terms of the contract covers its statewide Long Run Incremental Costs.
- b. The Advice Letter indicates that the costs and revenues associated with the contract will be tracked.

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 of future filings or for Commission approval of similar requests.

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FINDINGS

1. Pacific filed Advice Letter No. 17372 requesting Commission authorization to provide HCDS for Nordstrom under a customer-specific contract.
2. The Advice Letter and the contract conform to the requirements of Decision Nos. 88-09-059, 89-10-031 and 94-09-065, Resolution Nos. T-13069 and T-13091, and G.O. 96-A.
3. Pacific states that authorization of this contract will result in an estimated annual revenue decrease of \$126,821.
4. Commission authorization of the Advice Letter and the 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 the contract.
5. The rates, charges, terms and conditions of the contractual service 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. 17372 and the contract effective on May 25, 1995.
2. The Advice Letter and contract shall be marked to show that they were authorized by Resolution T-15735.

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 May 24, 1995. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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