

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15740
Telecommunications Branch May 10, 1995

R E S O L U T I O N

RESOLUTION T-15740. GTE CALIFORNIA INCORPORATED.
REQUEST TO PROVIDE TOLL SERVICE UNDER A CUSTOMER-
SPECIFIC CONTRACT.

BY ADVICE LETTER 5806 FILED FEBRUARY 3, 1995.

SUMMARY

GTE California Incorporated (GTEC) 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 Message Toll Service (MTS) for a customer. The customer requested that its identity be kept confidential. In compliance with D.94-09-065, GTEC demonstrated that the contract price is above its statewide average price floor for MTS.

AT&T Communications of California, Inc. (AT&T) filed a protest to Advice Letter 5806 on February 14, 1995. In response to the protest of AT&T, GTEC filed supplemental Advice Letter 5806A on February 16, 1995. This Supplement satisfied the concerns raised in AT&T's protest. On April 19, 1995, and April 21, 1995, GTEC filed supplemental Advice Letters 5806B and 5806C correcting other minor problems brought to its attention by CACD staff.

This Resolution authorizes GTEC's request. GTEC estimates the annual revenue impact of this filing to be a decrease of \$122,760.

BACKGROUND

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.

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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, adopted other changes to the contracting requirements, and allowed GTEC and Pacific Bell to provide all private line, MTS, Wide Area Telephone Service (WATS), and 800 Services and all other Category II services under contracts. The proposed contract complies with the contracting requirements.

MTS is a long distance switched telephone service for direct-dialed or operator-assisted out-dialing of calls.

Under the terms of the contract, GTEC agrees to provide MTS at the rate and estimated annual revenue impact listed below. Operator surcharges (0+, 0-, third number-billed and collect calls) are not waived or discounted under the contract.

| <u>CUSTOMER</u> | <u>PER MINUTE RATE</u> | <u>TERM (MOS)</u> | <u>REVENUE IMPACT</u> |
|-----------------|------------------------|-------------------|-----------------------|
| (confidential) | \$0.0600 | 30 | -\$122,760 |

NOTICE

GTEC states that copies of the Advice Letter and Supplements were mailed to competing and adjacent utilities and/or other utilities and to the customer in the contract. The Advice Letter and Supplements were listed in the Commission's Daily Calendars of February 8, February 22, April 21, and April 25, 1995, respectively.

PROTESTS

AT&T filed a protest to Advice Letter 5806 on February 14, 1995 requesting that the Commission disapprove the Advice Letter unless GTEC revised its contract so that it is clear that Zone Usage Measurement (ZUM) service is not included in the contract.

GTEC responded by filing supplemental Advice Letter 5806A to delete the paragraph of the contract that stated that the contract covers ZUM service.

DISCUSSION

GTEC proposes to offer MTS to a customer via a contract. In this contract, the customer requested that its identity be kept confidential and not be publicly disclosed by GTEC or the CPUC. In D.94-09-065, the Commission permitted utilities, at the customer's request, to file contracts with the customer's name omitted, in order to honor customers' requests for privacy. This decision did not, however, permit the subject utilities to protect from disclosure a contract's contents other than the name of the customer.

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For this reason, CACD staff found unacceptable the statement at the bottom of each page of the contract that "This document contains information proprietary and confidential to GTE California and subject to a 'Nondisclosure and Protective Agreement'", and asked GTEC to amend the contract to negate this statement. On April 19, 1995, GTEC filed supplemental Advice Letter 5806B stating that the actual contract should be considered public record, and that the statement to the contrary at the bottom of the contract should be disregarded.

AT&T protested the Advice Letter stating that the contract violates D.94-09-065 because it includes ZUM calling.

In D.94-09-065 we did, indeed, prohibit GTEC and Pacific from including certain Category I services in contracts under any circumstances; we stated, in Conclusion of Law 162, "Contracts should not be allowed for residential subscriber service, business basic exchange lines, ZUM, local usage, and the access line portion of semipublic telephone service."

In response to AT&T's protest, GTEC filed supplemental Advice Letter 5806A, removing the clause that indicated that the contract includes ZUM calling. Therefore, the issue raised in the protest has been resolved.

In reviewing the Advice Letter and Supplements, we also note the following:

- a. GTEC requests in the Advice Letter as supplemented that the workpapers and supporting cost documentation associated with the contract be treated as confidential.
- b. The rate set forth in this contract is above GTEC's statewide average price floor of providing the toll service offered under the terms of this contract.
- c. The Advice Letter as supplemented indicates that the costs and revenues associated with the contract will be tracked.
- d. The Advice Letter as supplemented indicates that Schedules Cal. P.U.C. No. A-38 and A-38B surcharges are not applicable to rates and charges set forth in this contract.

We conclude that the Advice Letter as supplemented meets the requirements set forth in the Commission Orders and G.O. 96-A, and should be approved.

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FINDINGS

1. GTEC filed Advice Letter No. 5806 and Supplements requesting Commission authorization to provide MTS for a customer under a customer-specific contract.
2. The Advice letter as supplemented and the contract conform 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.
3. The protest of AT&T has been satisfied.
4. GTEC states that authorization of this contract will result in the estimated annual revenue impact shown previously.
5. Commission authorization of this Advice Letter as supplemented and this 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 this contract.
6. The rates, charges, terms and conditions of the toll contract approved in this Resolution are just and reasonable.

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make GTE California Incorporated's Advice Letter No. 5806, the Supplements, and the associated contract effective on May 10, 1995.
2. The Advice letter as supplemented and the contract shall be marked to show that they were authorized by Resolution T-15740.

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 10, 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