

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15763**
Telecommunications Branch November 8, 1995

R E S O L U T I O N

RESOLUTION T-15763. PACIFIC BELL (U-1001-C). REQUEST TO WAIVE THE TERMINATION LIABILITY REQUIREMENT FOR ISDN SHOULD A CUSTOMERS DISCONNECT DURING THE FIRST SIX MONTHS OF SERVICE, SCHEDULE CAL.P.U.C. NO. A5.12.1.

BY ADVICE LETTER NO. 17474, FILED ON MAY 15, 1995 AND SUPPLEMENT ADVICE LETTER NO. 17474A, FILED ON SEPTEMBER 22, 1995.

SUMMARY

On May 15, 1995, Pacific Bell (Pacific) filed Advice Letter (AL) No. 17474 requesting authority to revise its general promotional pricing authority to allow Pacific to waive for 90 days the termination liability requirement for ISDN service should a customer disconnect during the first six months of services. Pacific requested that this promotion be available to business customers in the area codes 213, 310, 714, 805, 818 and 909 for telecommuting purposes.

On September 22, 1995, Pacific filed supplemental Advice Letter No. 17474A requesting that this promotion be expanded to Home ISDN customers in the same geographical area.

This Resolution grants Pacific's request to offer its promotion. Pacific estimates that the annual revenue impact of this promotional offering will be an increase of \$132,385.

BACKGROUND

California Public Utilities Code (P.U. Code) Section 739.9 directs the California Public Utilities Commission (Commission) to "extend special programs, for up to a three-year period, requested by telephone corporations, and found by the Commission to be reasonable, to encourage telecommuting in the area of the state where transportation systems have been damaged and disrupted by the Northridge earthquake of 1994."

Pacific's request to waive the termination liability for ISDN service for customers in the 213, 310, 714, 805, 818 and 909 area codes for telecommuting purposes is made pursuant to P.U. Code Section 739.9.

Pacific also requests authority to enter into a joint marketing promotion with IBM for IBM's WaveRunner digital modems. This promotion will allow interested customers to use a digital modem

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free of charges for six months to support the ISDN service. After six months, if the customer wishes to purchase these modems they may do so or return them to IBM.

PROTEST

Notice of Advice Letter No. 17474 was published in the Commission's Daily Calendar of May 30, 1995. Notice of Supplemental Advice Letter No. 17474A was published in the Commission's Daily Calendar of September 29, 1995. The Commission Advisory and Compliance Division (CACD) has received no protest to AL Nos. 17474 and 17474A.

DISCUSSION

In its Report to the Governor Enhancing California Competitive Strength: A Strategy for Telecommunications Infrastructure (Report), the Commission highlighted the benefits that telecommuting could bring to California's economy and residents. The Report recommends that state agencies should continue and expand their efforts to promote telecommuting, including the development of telework centers and the development and demonstration of telecommuting applications.

Pacific's AL No. 17474 as supplemented is a way to facilitate some of the benefits that the Commission highlighted in its Report. However, such steps should not be made without conscious knowledge of the regulatory background in which it is being made. ISDN has been categorized by the Commission as a Category I service as defined in the New Regulatory Framework (NRF) Phase II Decision, D.89-10-031. As a Category I service, ISDN requires a Commission decision to change or modify its existing tariff. Pacific's advice letter is requesting a waiver of the termination liability for telecommuting customers in the area affected by the Northridge Earthquake.

The joint promotion between Pacific and IBM would be beneficial to prospective ISDN customers. It also is in line with the types of special programs contained within P.U. Code Section 739.9. However, this promotional offering should also comply with the provisions of Pacific's generic joint promotional authority granted in Commission Resolution T-15730, and the promotional pricing guidelines established in Resolution T-15613.

CACD has reviewed Pacific's AL No. 17474 and as supplemented by 17474A. This filing is the kind anticipated by P.U. Code Section 739.9 and the Commission's Infrastructure Report. It is reasonable to grant such a waiver because it will benefit telecommuters in the Los Angeles area. CACD recommends approval of Pacific's request.

FINDINGS

1. Pacific Bell filed Advice Letter No. 17474, on May 15, 1995, requesting authority to revise its general promotional pricing authority to allow Pacific to waive for 90 days the termination liability requirement for ISDN service should a business customer disconnect during the first six months of service.
2. Pacific requests that this promotion be available to business customers in the area codes 213, 310, 714, 805, 818 and 909 for telecommuting purposes.
3. Pacific supplemented AL No. 17474 to include Home ISDN in the promotion.
4. P.U. Code Section 739.9 directs the California Public Utilities Commission (Commission) to "extend special programs, for up to a three-year period, requested by telephone corporations, and found by the Commission to be reasonable, to encourage telecommuting in the area of the state where transportation systems have been damaged and disrupted by the Northridge earthquake of 1994."
5. ISDN has been categorized by the Commission as a Category I service as defined in the New Regulatory Framework (NRF) Phase II Decision (D.)89-10-031.
6. A Commission decision is require to change or modify a Category I services tariff.
7. CACD has reviewed Advice Letter Nos. 17474 and 17474A, and finds this promotion to be the type anticipated in P.U. Code Section 739.9.
8. CACD recommends the approval of Pacific's request.

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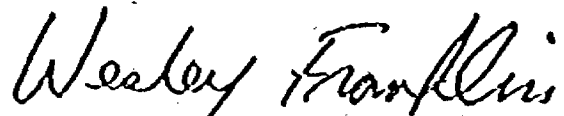
THEREFORE, IT IS ORDERED that:

1. Pacific Bell's request to offer a promotion to waive the termination liability requirement for ISDN and Home ISDN service should a customer disconnect during the first six months of service is approved. Such waiver will only be extended to customers for telecommuting purposes in the area codes 213, 310, 714, 805, 818 and 909. The promotion is authorized for a period of 90 days.

2. Pacific shall supplement Advice Letter Nos. 17474 and 17474A to file tariff sheets in compliance with the authority granted in Ordering Paragraph No. 1 above. Such filing shall become effective on 5 days notice.

The effective date of this Resolution is today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 8, 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
JOSIAH L. NEEPER
Commissioners