

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION T-15772
August 11, 1995

R E S O L U T I O N

RESOLUTION T-15772. PACIFIC BELL. REQUEST TO AUTHORIZE CUSTOMER-SPECIFIC CONTRACTS FOR THE RESALE OF MEASURED RATE PBX TRUNK LINE SERVICE, DIAL OUT TRUNKS FOR THE CUSTOMERS LISTED BELOW.

<u>CUSTOMER</u>	<u>ADVICE LETTER NO.</u>	<u>DATE FILED</u>
1. Teleport Communications San Francisco, Inc.	17583	7/12/1995
2. Teleport Communications Los Angeles, Inc.	17584	7/12/1995
3. TCG-SD	17585	7/13/1995

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 enter into customer-specific contracts for resale of Measured Rate PBX Trunk Line Service, dial out trunks for the customers listed above.

Pacific also requests that contract modifications that do not materially change the service offerings become effective upon Commission Advisory and Compliance Division (CACD) approval.

This Resolution authorizes Pacific's request. Pacific estimates that the revenue impact of these filings will be an increase of \$301,748.

No protests to the Advice Letters were 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 deviate from the tariff to provide services under customer-specific 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 contracts comply with the contracting requirements.

Schedule Cal.P.U.C. No. A2.2.1.18, Rule No. 18, Customers' Private Service Not For Public Use/Resale Of Services, applies to resale of Private Branch Exchange (PBX) Direct Inward Dialing (DID) trunks and numbers only. Resale of Measured Rate PBX Trunk Line Service, dial out trunks is not allowed under the current tariff.

Under the terms of the 3 year contract, the customers are provided Measured Rate Private Branch Exchange Out Only Trunk Service at tariff rates. The contracts also modify the terms and conditions of the tariff service to allow resale of the service.

Pacific indicates that Commission authorization of these contracts will result in an increase in revenue of \$301,748.

NOTICE/PROTESTS

Pacific has mailed a copy of the Advice Letters and related contracts to competing and adjacent utilities and/or other utilities, and interested parties. The Advice Letters were listed in the Commission's Daily Calendar.

No protests to the Advice Letters were filed.

DISCUSSION

In reviewing the Advice Letters, we note the following:

- a. The contracts are priced at prevailing tariff rates.
- b. The contracts' deviation from tariff A5.3.1, Measured Rate Trunks, is limited to the authority to resell the service.
- c. 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 the Commission.

We conclude that the proposed contracts meet 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 the Advice Letters and the associated contracts and does not establish a precedent for the contents or for Commission approval of similar requests.

FINDINGS

1. Pacific Bell filed Advice Letter Nos. 17583-17585 requesting Commission authorization to enter into customer-specific contracts for resale of Measured Rate PBX Trunk Line Service, dial out trunks with the aforementioned listed customers.
2. The Advice Letters and the contracts conform to the requirements of Commission Decisions and of G.O. 96-A.
3. Pacific states that authorization of these contracts will result in an estimated revenue increase of \$301,748.

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4. 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.

5. The rates and charges are per tariff Schedule Cal. P.U.C. A.5.3.1.

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

7. Authorization of the Advice Letters and the contracts does not establish a precedent for the contents of these filings, 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 Nos. 17583, 17584, 17585 and the associated contracts effective on August 21, 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 Letters and contracts shall be marked to show that they were authorized by Resolution No. T-15772.

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 August 11, 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