

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION  
Telecommunications Branch

RESOLUTION T-15781  
December 6, 1995

R E S O L U T I O N

RESOLUTION T-15781. PACIFIC BELL. REQUEST TO PROVIDE CENTREX, MTS AND JOINT USER SERVICE FOR A CUSTOMER (IDENTITY CONFIDENTIAL) UNDER A CUSTOMER-SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 17609 FILED JULY 21, 1995.

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SUMMARY

Pacific Bell (Pacific) requests authority under provisions of General Order No. 96-A (G.O. 96-A) and Decision No. (D.) 94-09-065 to deviate from filed tariff schedules in order to provide Centrex service, MTS (Message Telecommunications Service) for Direct Distance Dialed Calls (Local Plus Advantage 1000) and Joint User service to a customer (identity confidential) under a customer-specific contract.

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

This Resolution authorizes Pacific's request. Pacific estimates that the first year annual revenue impact of this filing will be a decrease of \$1,241,999.

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 and Joint User services under contract.

Under the contractual guidelines of D.88-09-059, MTS was not an appropriate service for contracts. D.94-09-065 expanded the list of services appropriate for contracts to include MTS.

D.90-04-065 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.

Pacific filed Supplement A to AL 17609 on August 11, 1995 to clarify a reference in the contract Addendum.

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.

Pacific also proposes to offer the customer MTS for Direct Distance Dialed calls, also known as Local Plus Advantage 1000, under contract. Advantage 1000 is a discount calling plan for customers with locations with a monthly minimum billing of \$1,000.

Joint User service is an arrangement whereby an individual, other than an employee, member or officer of the concern which is the customer or a firm, corporation or association, shares in the use of a customer's business telephone service.

Under the terms and conditions of the contract, Pacific agrees to provide the following services.

<u>SERVICE</u>	<u>MONTHLY RATE</u>	<u>TERM (YRS)</u>	<u>REVENUE IMPACT</u>
Centrex	\$16.11/line	10	\$-125,957
MTS	0.040/MOU*	5	-1,122,042
Joint User	2.0/complex	10	6,000

\*MOU-Minute of Use

Pacific estimates that the first year annual revenue impact will be a decrease of \$1,241,999.

#### 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 customer in the contract. The Advice Letter was listed in the Commission's Daily Calendar of July 26, 1995.

DISCUSSION

In reviewing Advice Letter No. 17609, CACD notes the following:

a. The customer requests that its identify be kept confidential and not be publicly disclosed. In D.94-09-065, the Commission permits utilities at the customer's request to file contracts with the customer's name omitted in order to honor the customer's request for privacy.

b. The Advice Letter indicates that the costs and revenue associated with the contract will be tracked.

c. Pacific indicates that the customer's Centrex service locations are either high volume locations or very high volume locations.

d. The contract rates are above the appropriate price floors.

e. Pacific requests that contract modifications that do not materially change the service offering and are of a ministerial nature 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 upon less than 40 day regular notice period required by G.O. 96-A. Also, the exceptions from "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 decision and/or resolution. 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.

CACD concludes that the Advice Letter meets the requirements set forth in the Commission Orders and G.O. 96-A and recommends that the Commission approve this filing. CACD also notes that Commission 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. 17609 as supplemented requesting Commission authorization to provide Centrex, MTS and Joint User service for a customer (identity confidential) under a customer-specific contract.

2. The Advice Letter and the contract conform to the requirements of Decision No. 94-09-065 and G.O. 96-A.

December 6, 1995

3. Pacific states that authorization of this contract will result in an estimated first year annual revenue decrease of \$1,241,999.

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. Commission authorization of this Advice Letter as supplemented and of 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 this contract.

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

THEREFORE, IT IS ORDERED that:

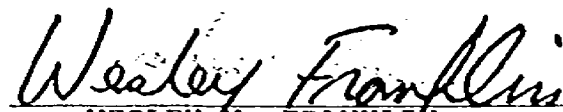
1. Authority is granted to make Pacific Bell's Advice Letter No. 17609 as supplemented and the associated contract effective on December 7, 1995.

2. Contract modifications that do not materially change the service shall 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 as supplemented and the contract shall be marked to show that they were authorized by Resolution T-15781.

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 December 6, 1995. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

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