

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division RESOLUTION T-15830**
Telecommunications Branch February 7, 1996

R E S O L U T I O N

RESOLUTION T-15830. ROSEVILLE. (U-1015-C). REQUEST TO OFFER PUBLIC SCHOOLS (K-12), LIBRARIES AND THOSE PRIVATE SCHOOLS (K-12) SERVING 100 OR MORE STUDENTS AND WHICH ARE REGISTERED WITH THE DEPARTMENT OF EDUCATION A WAIVER OF INSTALLATION CHARGES, MONTHLY RATES AND USAGE CHARGES FOR ONE YEAR FOR SPECIFIC SERVICES SUPPORTING EDUCATIONAL DATA AND VIDEO APPLICATIONS OR ALTERNATIVELY A \$3000 CREDIT FOR APPLICATION FOR SPECIFIC ADDITIONAL SERVICES (TECH ED PROGRAM).

BY ADVICE LETTER NO. 354, FILED ON NOVEMBER 7, 1995.

SUMMARY

This resolution authorizes Roseville Telephone Company (Roseville) to offer, under specified conditions, its proposed Tech Ed program to public schools (K-12), public libraries and those private schools serving 100 or more students and which are registered with the Department of Education services. The program will promote modernization in classrooms, libraries, media rooms, computer labs and/or auditoriums. Roseville proposes to waive usage rates and charges for one year; thereafter Roseville proposes to charge participants a discount rate, yet to be developed, effective year two. Alternatively, qualifying schools may choose, in lieu of these waived rates and charges, a \$3000 credit to be applied towards advanced ISDN or Frame Relay services and intraLATA charges associated with the Tech Ed Program. This offer is available for two years from the effective date of this Resolution.

Roseville's account executives will contact each of the 43 eligible public schools and libraries as well as the 10 eligible private schools to inform them of the Tech Ed program. This introduction will include a description of the services available, the capabilities and limitations of the offered services and equipment, the waived rates and charges, the requirements of participants as well as their right to withdraw at any time from the program. Roseville will also notify potential applicants of the existing usage rates and charges as the upward bound or worse case scenario of financial responsibility after the discount period ends. Before

February 7, 1996

implementing the Tech Ed program, Roseville must submit to the Commission Advisory and Compliance Division (CACD) Roseville's proposed notice to eligible participants which specifies this information.

Regarding the accounting treatment of the program, we approve Roseville's request for above the line accounting treatment. However, Roseville will track the waived revenues and expenses to assure that Roseville's ratepayers will not bear the burden of any Tech Ed program costs. We also require Roseville to establish a memorandum account to record the costs of the Tech Ed program for purposes of a ratemaking adjustment to assure that Roseville will not recover any costs through increased customer rates. Roseville expects incurred expenses for the Tech Ed program not to exceed \$156,000.

Roseville also states in its filing that it intends to work with the Commission, during the offering of its discount program, on an education access rate to be offered to participants beginning year two. We will require Roseville to file its proposed discount education access rate by advice letter within 90 days of the effective date of this resolution.

BACKGROUND

By Advice Letter No. 354 filed November 7, 1995, Roseville filed to revise Schedule Cal. P.U.C. Nos. A3 "Basic Exchange Access Service," A8, "Digital Business Service," A28, "Multi Element Charges," A34, "IntraLATA Message Toll Telephone Service," and A35, "Access Service For Intrastate Carriers" to request authority to implement the modernization of public schools (K-12), public libraries and those private schools (K-12) serving 100 or more students and which are registered with the Department of Education.

Estimated incurred expenses are not expected to exceed \$156,000. Roseville requests a resolution authorizing its proposal to waive its installation charges, monthly rates and usage charges for the following services:

- Measured Business Lines associated with Integrated Service (IS)
- Digital Business Lines associated with Integrated Service (IS)
- Integrated Service Feature Packages
- IntraLATA Toll Charges
- Non-Recurring charges for services associated with Integrated Service (IS)

Additionally Roseville requests approval to offer eligible applicants a \$3000 credit in lieu of the above services for advanced ISDN or Frame Relay Service.

Roseville lists the following special conditions associated with this program:

1. Participants seeking the service waivers will be provided up to five (5) measured business or digital business lines associated with Integrated Service Feature Packages, for use for video and data applications.
2. Integrated Service Feature Packages are required to implement video and data applications.
3. The waiver of installation charges and monthly rates shall begin on the date of installation of the selected service and conclude twelve (12) months from that date. The customer may discontinue the service(s) at any time. When applying for the Tech Ed program the customer will be informed of existing tariff rates. At the end of the program the customer may elect to disconnect or continue the service at these prevailing tariff rates and charges.
4. Roseville area public schools (K-12), public libraries and private schools (K-12) serving 100 or more students and which are registered with the Department of Education that would like to participate must submit a written request and a copy of their plan for the introduction of technology into the curriculum no later than two years from the effective date of this resolution.
5. Qualifying school and library applicants may choose, in lieu of the waiver of charges and rates, a \$3000 credit to be applied towards advanced ISDN or Frame Relay service.

NOTICE/PROTESTS

Roseville has mailed a copy of Advice Letter No. 354 and the related tariff sheets to competing and adjacent utilities. The Advice Letter was listed in the Commission's Daily Calendar of November 13, 1995. No protests or comments were filed in conjunction with the advice letter.

DISCUSSION

Roseville's proposed program, as discussed above, satisfies the customer safeguards established in programs approved by the Commission for other utilities. Roseville has agreed to track the waived revenues and expenses associated with its Tech Ed Program and establish a memorandum account for a ratemaking adjustment to assure that Roseville will not recover any costs through increased customer rates. In addition Roseville will submit semi-annual monitoring reports to CACD detailing the information accumulated in its tracking program.

Also, Roseville account executives will meet with each applicant to go over the participant's obligations and responsibilities under this program. This includes making applicants aware of

February 7, 1996

the rates and charges which could apply for continuation in the program. We require Roseville to submit to CACD a copy of introductory or other explanatory information provided to applicants.

Roseville should file with the Commission its proposed education access rate within 90 days of the effective date of this resolution. This will allow adequate time for review by any interested parties and assure that Tech Ed Program participants will know on a timely basis what their second year obligations would be.

FINDINGS

1. Roseville filed Advice Letter No. 354 requesting a Commission resolution to authorize it to provide its Tech Ed program to public schools (K-12), public libraries and those private schools (K-12) serving 100 or more students and which are registered with the Department of Education.
2. Roseville requests authority to waive installation charges, monthly rates and usage charges for a period of one year for the specific services being offered or a \$3000 credit for those libraries and schools requiring more advanced ISDN or Frame Relay Service.
3. Roseville estimates that waived costs associated with its Tech Ed Program will not exceed \$156,000.
4. Roseville will not seek compensation to recover Tech Ed Program waived expenses or revenues.
5. Roseville intends to provide above the line accounting treatment for its Tech Ed Program.
6. Roseville should be required to establish a memorandum account to accumulate the costs of its Tech Ed Program for purposes of a ratemaking adjustment.
7. Roseville will establish a tracking program which will include the waived revenues and expenses for this program and will submit bi-annual monitoring reports to the Commission.
8. Roseville should file by advice letter its proposed discount education access rate within 90 days of the effective date of this resolution.
9. Before implementing its Tech Ed Program Roseville should submit to CACD copies of introductory materials which will be provided to eligible schools and libraries.

THEREFORE, IT IS ORDERED that:

1. Roseville Telephone Company (Roseville) is authorized to implement its Tech Ed Program, subject to the following conditions:

February 7, 1996

- a. Roseville shall submit to the Commission Advisory and Compliance Division (CACD) its proposed introductory materials associated with this program.
 - b. Roseville shall notify CACD by letter that it has established a memorandum account.
2. Roseville shall file a proposed discount education access rate within 90 days of the effective date of this resolution.
 3. Roseville shall not recover any expenses or waived revenues associated with its Tech Ed program.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 7, 1996. The following Commissioners approved it:

Wesley Franklin

WESLEY M. FRANKLIN
Executive Director

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