

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15869
Telecommunications Branch June 6, 1996

R E S O L U T I O N

RESOLUTION T-15869. PACIFIC BELL. REQUEST TO PROVIDE MTS FOR DIRECT DISTANCE DIALED CALLS, DIRECT DIALED CALLING CARD SERVICE AND CUSTOM 800 SERVICE FOR A CUSTOMER (IDENTITY CONFIDENTIAL) UNDER A CUSTOMER-SPECIFIC CONTRACT.

BY ADVICE LETTER NO. 18103 FILED MARCH 5, 1996.

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 MTS (Message Telecommunications Service) for Direct Distance Dialed Calls (Local Plus; Advantage 1000), Direct Dialed Calling Card Service and CUSTOM 800 Service for a customer (Primary Customer and its Members) under a customer-specific contract.

Pacific also requests that 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 \$58,862.

BACKGROUND

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

Pacific proposes to offer the customer MTS for Direct Distance Dial Calls, Direct Dialed Calling Card Service and CUSTOM 800 Service Calls for Intrastate, IntraLATA service under contract.

Under the terms and conditions of the 3 year contract, Pacific agrees to provide MTS service for the customer (identity confidential) at rates which are discounted from the tariff rate, but meet or exceed the price floor specified by Pacific's D.94-09-065.

Pacific estimates that the first year annual revenue impact will be a decrease of \$58,862.

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 March 8, 1996.

No protest to the Advice Letter was filed.

DISCUSSION

In reviewing Advice Letter No. 18103, CACD notes the following:

- a. Pacific requests in the Advice Letter that the workpapers and supporting cost documentation associated with the contract be treated as confidential.
- b. The customer requests that its identify be kept confidential and not be publicly disclosed. 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 customer's request for privacy.
- c. The rates and charges set forth in this contract covers the statewide Long Run Incremental Costs (LRICs) of providing each service offered under the terms of the contract. The contract rates equal or exceed the LRICs of each rate element of the contract services. The Advice Letter indicates that the costs and revenue associated with the contract will be tracked.
- d. The contract rates are above the appropriate price floors.

e. Pacific requests that contract modifications that do not materially change the service offering 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 the 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. 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. 18103 requesting Commission authorization to provide MTS 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.
3. Pacific states that authorization of this contract will result in an estimated first year annual revenue decrease of \$58,862.
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 and 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.

June 6, 1996

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Pacific Bell's Advice Letter No. 18103 and the associated contract effective on June 7, 1996.
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 and the contract shall be marked to show that they were authorized by Resolution T-15869.

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 June 6, 1996. The following Commissioners approved it:

Wesley Franklin
WESLEY M. FRANKLIN
Executive Director

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

Commissioner
DANIEL Wm. FESSLER, being
necessarily absent, did
not participate.