

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division RESOLUTION T-15884\*  
Telecommunications Branch June 19, 1996

R E S O L U T I O N

RESOLUTION T-15884. PACIFIC BELL. (U-1001-C). REQUEST TO ESTABLISH ONE-WAY EXTENDED AREA SERVICE (EAS) FROM THE PETALUMA EXCHANGE, MAIN DISTRICT AREA, TO SANTA ROSA.

BY ADVICE LETTER NO. 18162 FILED ON APRIL 15, 1996, AS SUPPLEMENTED BY ADVICE LETTER NO. 18162A, FILED ON APRIL 29, 1996, AND ADVICE LETTER NO. 18162B, FILED ON JUNE 17, 1996.

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SUMMARY

This Resolution approves the establishment of one-way Extended Area Service (EAS) from the Pacific Bell Petaluma Main District Area (DA) to the Santa Rosa Exchange. This will allow the Petaluma Main DA customers to call the Santa Rosa Exchange as a local call.

BACKGROUND

In April 1995 the Division of Ratepayer Advocates mailed a survey to Petaluma customers (1,200 Business and 1,200 Residence). These customers were randomly selected, and the survey was designed to determine their need and willingness to pay for EAS to Santa Rosa. A total of 966 customers responded, and the results were:

605 (62.6%) preferred the one-way EAS.

354 (36.7%) did not want EAS, and

7 ( 0.7%) had no opinion.

Since the majority favored one-way EAS to Santa Rosa, Pacific Bell filed Advice Letter No. 18162 on April 15, 1996, to implement the service. The monthly increase associated with this EAS route will be \$2.75 for business customers and \$.95 for residence customers. The Semi-public and COPT EAS rate increase is \$1.38. Lifeline customers pay half the rate for residential service (\$.48).

One-time implementation costs are \$204,930; the estimated annual revenue effect is a decrease of \$1,221,758. On April 29, Pacific Bell filed Advice Letter Supplement No. 18162A to

recover these sums through a Rule 33 (Billing Surcharge) ongoing adjustment of 0.086% and a one-time adjustment of 0.004% for the period of one-year.

Pacific Bell requests to waive customer notification requirements that "all customers", i.e., its entire billing base be notified of the billing surcharge changes. The approximate cost to notify all customers of this change is \$500,000. Pacific Bell also requests a waiver of Dual Element Charges when customers change from flat rate service to measured rate service and vice versa for a period of 60 days. This will allow Petaluma customers the opportunity to change their service to the most economic monthly charge once local calling to Santa Rosa commences.

On June 17, 1996, Pacific Bell filed Supplemental Advice Letter No. 18162B, requesting to change the EAS implementation date from June 1, 1996, to July 12, 1996, in order to perform the necessary central office and billing functions to enable EAS capabilities.

#### NOTICE/PROTESTS

Notice of Advice Letter No. 18162 was published in the Commission Daily Calendar of April 19, 1996. No protests have been received. Petaluma customers were notified by Pacific Bell of the pending rate increase in their monthly charges and allowed an opportunity to comment. Comments received by CACD were overwhelmingly in support of the increase in monthly rates and the establishment of local calling to Santa Rosa.

#### DISCUSSION

Pacific Bell's Petaluma - Santa Rosa EAS proposal is similar to the plan adopted by the Commission in Decision No. 93-04-039 for EAS from Watsonville to Santa Cruz, in that the EAS exchange customers pay an increment in their monthly rate (established by the "Salinas Formula", D.93728) and startup and recurring losses are recovered from a surcharge on Pacific Bell's general ratepayers. General customer notification of the surcharge increase in the Watsonville matter was not required, so it is reasonable to accept Pacific Bell's request to save \$500,000 on general customer notification in the case of Advice Letter No. 18162A.

Furthermore, it is reasonable to grant Pacific Bell's request to waive Dual Element Charges for 60 days for those Petaluma exchange customers who wish to convert from flat rate service to measured rate service for the most individually economic choice of monthly rate and local calling.

#### FINDINGS

1. Pacific Bell's request to establish one-way EAS from the Petaluma Main DA to the Santa Rosa exchange is reasonable.

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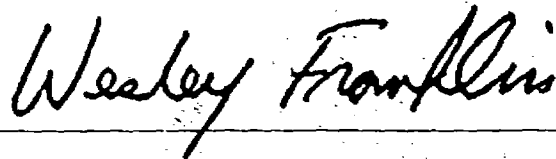
2. Pacific Bell's request to waive general customer notice of the Rule 33 surcharge increase is reasonable.
3. Pacific Bell's request to waive Dual Element Charges for a period of 60 days for Petaluma exchange customers who wish to switch from flat rate to measure rate service, and vice-versa, is reasonable.
4. Pacific Bell's Advice Letter No. 18162, as supplemented by Advice Letter Nos. 18162A and 18162B, should be made effective immediately.

THEREFORE, IT IS ORDERED that:

1. Advice Letter No. 18162 of Pacific Bell, as supplemented by Advice Letter Nos. 18162A and 18162B, is made effective immediately.
2. Advice Letters Nos. 18162, 18162A, and 18162B and accompanying tariff sheets shall be marked to show that they were authorized by Resolution No. T-15884 of the Public Utilities Commission of the State of California and its effective date.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 19, 1996. The following Commissioners approved it:



WESLEY M. FRANKLIN  
Executive Director

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