PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division RESOLUTION T-15936 * Telecommunications Branch July 3, 1996

RESOLUTION

RESOLUTION T-15936. GTE CALIFORNIA, INCORPORATED. (U-1002-C). REQUEST TO MAKE PROMOTIONAL PRICING TARIFF, SCHEDULE CAL.P.U.C NO. A-42, PERMANENT.

BY ADVICE LETTER NO. 8071, FILED ON APRIL 23, 1996.

SUMMARY

This Resolution makes GTE California, Incorporated's (GTEC's) promotional pricing tariff permanent.

BACKGROUND

GTEC filed Advice Letter No. 5673 on October 24, 1994, to establish a promotional pricing tariff. Resolution No. T-15719, February 22, 1995, approved GTEC's tariff Schedule Cal.P.U.C No. A-42, on a provisional basis which will terminate July 12, 1996, unless cancelled, changed, or extended.

On April 23, 1996, GTEC filed Advice Letter No. 8071 requesting the Commission to make it's promotional pricing tariff permanent.

NOTICE/PROTESTS

Notice of Advice Letter No. 8071 was published in the Commission Daily Calendar of April 24, 1996. No protests have been received.

DISCUSSION

Since no protests have been received we have no objection to making GTEC's promotional pricing tariff effective on a permanent basis.

However, Resolution T-15719 expressed concerns about prepromotion advertising and marketing campaigns and Z-factor adjustment for any foregone revenue or net losses associated with the promotional pricing authority. These concerns are still valid and should be continued. The promotions should continue the disclaimer (Ordering Paragraph No. 2 of Resolution T-15719) that "this promotion will be effective on (specific date) pending Commission notification." Similarly, advertising and marketing during the promotion should contain the disclaimer (Ordering Paragraph No. 3 of Resolution No. T-15719) that "the promotion now effective is pending possible Commission action. All rates, terms and conditions are subject to change without notice."

Ordering Paragraph Nos. 4 and 5 of Resolution T-15719 established criteria for penalties and suspension of promotional pricing authority if undue harm or anti-competitive results ensue. These should continue.

Ordering Paragraph No. 6 of Resolution No. T-15719 denied GTEC Z-factor adjustment for any foregone revenue or net losses associated with the promotional pricing authority. This should continue.

With these safeguards in effect, we will approve GTEC's request in Advice Letter No. 8071.

FINDINGS

- 1. GTEC's promotional pricing authority, tariff schedule Cal.P.U.C No. A-42, established by Resolution No. T-15719, expires on July 12, 1996.
- 2. GTEC filed Advice Letter No. 8071 on April 23, 1996, to make its Schedule Cal.P.U.C No. A-42 permanent.
- 3. GTEC's tariff Schedule Cal.P.U.C. No. A-42 should be made permanent.
- 4. The safeguards established in Ordering Paragraph Nos. 2, 3, 4, 5, and 6 of Resolution No. T-15719 should continue in effect.

THEREFORE, IT IS ORDERED that:

- 1. GTE California, Incorporated's tariff Schedule Cal.P.U.C No. A-42 is made permanent.
- 2. GTB California, Incorporated's Advice Letter No. 8071 and accompanying tariff sheets shall be marked to show that they were authorized by Resolution No. T-15936 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 July 3, 1996. The following Commissioners approved it:

WESLEY FRANKLIN Executive Director

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