

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

TELECOMMUNICATIONS DIVISION

RESOLUTION T-15964*
November 26, 1996

R E S O L U T I O N

RESOLUTION T-15964. GTE CALIFORNIA INCORPORATED. REQUEST TO GRANDFATHER FOR RETAIL AND RESALE THE DISCOUNT CALLING PLANS ONE, TWO, AND THREE, THE ASSOCIATED TERM ARRANGEMENT, AND GTE CALLING PLAN (GTE CALLING SOLUTIONS) FOR RESIDENTIAL AND BUSINESS CUSTOMERS, TO GRANDFATHER FOR RESALE THE DISCOUNT CALLING PLANS FOUR AND FIVE FOR BUSINESS CUSTOMERS, AND TO ESTABLISH FOR RESALE THE GTE EASY SAVINGS PLAN FOR RESIDENTIAL CUSTOMERS.

BY ADVICE LETTER NO. 8225 FILED AUGUST 21, 1996 AND ADVICE LETTER NO. 8257 FILED SEPTEMBER 20, 1996.

SUMMARY

GTE California Incorporated (GTEC) requests authority under provisions of General Order No. 96-A (G.O. 96-A) to grandfather both its retail and resale service offerings of Discount Calling Plans One, Two, and Three, the associated Term Arrangement, and GTE Calling Plan (GTE Calling Solutions) for residential and business customers. GTEC also requests to grandfather its resale business Discount Calling Plans Four and Five and to establish for resale the GTE Easy Savings Plan for residential customers.

Discount Calling Plans One, Two, and Three, the associated Term Arrangement, GTE Calling Plan (GTE Calling Solutions), and Discount Calling Plans Four and Five will be limited to existing customers as of the effective date of Advice Letter Nos. 8225 and 8257. GTE Easy Savings Plan for residential customers will be available for resale as of the effective date of Advice Letter No. 8257.

This Resolution authorizes GTEC's request. GTEC estimates that the two Advice Letter filings will have no revenue impact.

BACKGROUND

GTEC filed Advice Letter No. 8225 (AL 8225) on August 21, 1996 requesting its retail Discount Calling Plans One, Two, and Three for residential and business customers be grandfathered and limited to existing customers only.

On September 18, 1996, GTEC filed Supplement A to AL 8225 adding to its request the grandfathering of the Term Arrangement for Discount Calling Plans One, Two, and Three.

On November 12, 1996, GTEC filed Supplement B to AL 8225 to clarify that AL 8225 inadvertently omitted to mention that GTE Calling Plan (GTE Calling Solutions) is one of the services it is requesting to be grandfathered in the Advice Letter.

GTEC also filed Advice Letter No. 8257 (AL 8257) on September 20, 1996 requesting its resale Discount Calling Plans One, Two, and Three, the associated Term Arrangement, and the GTE Calling Plan (GTE Calling Solutions) for residential and business customers be grandfathered and limited to existing customers only. GTEC also requests in AL 8257 to establish for resale the GTE Easy Savings Plan for residential customers; a similar savings plan for business customers is already available in its resale tariff.

On November 12, 1996, GTEC filed Supplement A to AL 8257 to clarify that AL 8257 inadvertently omitted to mention that its resale business Discount Calling Plans Four and Five are services it is also requesting to be grandfathered in the Advice Letter. GTEC indicates that the purpose of grandfathering Discount Calling Plans Four and Five is to mirror the approved grandfathering of the equivalent retail tariff offering in Resolution T-15940 dated July 17, 1996.

GTEC's Discount Calling Plans One and Two discount GTE Long Distance Service at 15% and 25%, respectively. Discount Calling Plan Three discounts GTE Long Distance Service at 20.3% on a weighted average basis. GTEC's business Discount Calling Plans Four and Five discount GTE Long Distance Service at 15% and 25%, respectively to evening and night callings. To subscribe to any of these discount callings plans, a customer must pay a monthly recurring charge. Discount Calling Plans One, Two, and Three are also available on either a 12-month or 36-month term basis. GTE Calling Solutions provides three packages of services that allow customers to combine vertical services with GTE Long Distance Service for a discounted monthly rate.

In accordance with Ordering Paragraph No.7 of D.96-03-020, GTEC's resale rates for these calling plans are at a 12% discount from its retail rates. GTEC proposes to grandfather these discount plans from its retail and resale tariffs and limit them to existing customers only. New customers seeking discount calling options can subscribe to its residential and business GTE Easy Savings Plan.

GTEC estimates no financial impact of this filing.

NOTICE/PROTESTS

GTEC states that a copy of the Advice Letters as supplemented and related tariff sheets were mailed to competing and adjacent utilities and/or other utilities, and interested parties. Also, Advice Letter No. 8225 was listed in the Commissions' Daily Calendar of August 23, 1996, and Advice Letter No. 8257 was listed in the Commissions' Daily Calendar of September 25, 1996. No protest to the Advice Letters was filed.

DISCUSSION

GTEC proposes to grandfather both its resale and retail Discount Calling Plans One, Two, and Three, the associated Term Arrangement, and GTE Calling Plan (GTE Calling Solutions) for residential and business customers. GTEC also proposes to grandfather its resale business Discount Calling Plans Four and Five; an equivalent retail tariff offering was grandfathered in Resolution T-15940. These services will be limited to existing customers and no new customers will be permitted. In AL 8257, GTEC also proposes to establish for resale the GTE Easy Savings Plan for residential customers; a similar savings plan for business customers is already available in its resale tariff. New customers seeking discount options can subscribe to its residential and business GTE Easy Savings Plan.

GTEC says that these discount plans are no longer competitive and it would prefer to discontinue them. New customers can subscribe to the GTE Easy Savings Plan in place of the existing Discount Calling Plans. The GTE Easy Savings Plan discounts intraLATA calls based on volume of usage and customers pay no monthly recurring charges. GTEC indicates that its GTE Easy Savings Plan would allow it to better compete in today's market. Further, unlike Discount Calling Plans One, Two, Three, Four, and Five for which customers have to pay a monthly recurring charge, subscribers to the GTE Easy Savings Plan do not have to pay any monthly recurring charge which should prove to be more acceptable to customers.

GTEC believes that its GTE Easy Savings Plan is attractive enough that eventually existing customers of the grandfathered Discount Calling Plans will migrate to the GTE Easy Savings Plan.

The Telecommunications Division concludes that the Advice Letters meet the requirements set forth in G.O. 96-A and recommends that the Commission approve the filings.

FINDINGS

1. GTEC filed Advice Letter No. 8225 as supplemented to grandfather its retail Discount Calling Plans One, Two, and Three, the associated Term Arrangement, and GTE Calling Plan (GTE Calling Solutions) for residential and business customers.

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2. GTEC filed Advice Letter No. 8257 as supplemented to grandfather its resale Discount Calling Plans One, Two and Three, the associated Term Arrangement, and GTE Calling Plan (GTE Calling Solutions) for residential and business customers; also requested is the grandfathering of its resale business Discount Calling Plans Four and Five. GTEC also adds for resale GTE Easy Savings Plan for residential customers in this Advice Letter.

3. There is no monthly recurring charge for the GTE Easy Savings Plan.

4. GTEC indicates no revenue impact of this filing.

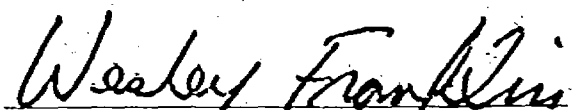
THEREFORE, IT IS ORDERED that:

1. Authority is granted to make GTE California Incorporated Advice Letter No. 8225 as supplemented and Advice Letter No. 8257 as supplemented effective on November 27, 1996.

2. The Advice Letters as supplemented and tariff sheets shall be marked to show that they were authorized by Resolution T-15964.

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 November 26, 1996. The following Commissioners approved it:


WESLEY M. FRANKLIN
Executive Director

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

HENRY M. DUQUE, being necessarily absent, did not participate.