

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

TELECOMMUNICATIONS DIVISION

RESOLUTION T-16024  
August 1, 1997

R E S O L U T I O N

RESOLUTION T-16024. PACIFIC BELL REQUESTS TO GRANDFATHER THE CENTREX FEATURE PACKAGE A AND ITS TWO DISCOUNT PLANS, OPTION I - LINE DISCOUNTS AND OPTION II - VOLUME DISCOUNTS. EXISTING CUSTOMERS WILL HAVE 60 DAYS TO CONVERT TO THE CENTREX CLASSIC FEATURE PACKAGE AT NO CHARGE SHOULD THEY WISH TO DO SO.

BY ADVICE LETTER NO. 18213 FILED MAY 3, 1996, SUPPLEMENT A FILED SEPTEMBER 23, 1996, AND SUPPLEMENT B FILED JULY 15, 1997.

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SUMMARY

By Advice Letter (AL) No. 18213 filed May 3, 1996, Pacific Bell (Pacific) requests authority to revise Schedule Cal.P.U.C. No. A9, Central Office Services to eliminate the two discount plans, Option I - Line Discounts and Option II - Volume Discounts under the Centrex Feature Package A (Package A) service. Pacific filed Supplement A to AL 18213 on September 23, 1996 seeking to grandfather instead the Package A and its two discount plans. On July 15, 1997, Pacific filed Supplement B to clarify that individual features under Package A will still be available at the same rates after the grandfathering. Existing customers will have 60 days to convert to the Centrex Classic Feature Package (Classic Package) at no charge should they wish to do so.

This resolution authorizes Pacific's request. Pacific estimates annual revenue impact to be a decrease of \$412,032.

BACKGROUND

Centrex is a central office based business telecommunications system which transports voice and data internal or external to the system. Centrex has many standard and optional call processing features, including variations of call forwarding, networking between systems, and call routing.

Centrex is offered on the central office switching technology where redundant processors and battery backup is provided. In addition, operating and feature softwares are upgraded on a regular basis at no additional charge to the customer.

Centrex is available in both digital and analog formats and is available throughout Pacific Bell's franchise territory.

Pacific filed Advice Letter No. 18213 on May 3, 1996 requesting to eliminate the two discount plans under Package A. On September 23, 1996, Pacific filed Supplement A to AL 18213 modifying its request to grandfather the Package A, Option I, Line Discounts and Option II, Volume Discounts. Existing customers will have 60 days to convert to the Classic Package at no charge should they wish to do so. On July 15, 1997, Pacific filed Supplement B to clarify that individual features under Centrex Feature Package A will still be available at the same rates after the grandfathering.

#### NOTICE/PROTESTS

Pacific states that a copy of the Advice Letter, its supplements and related tariff sheets were mailed to competing and adjacent utilities and interested parties.

Advice Letter No. 18213 was listed in the Commissions' Daily Calendar of May 10, 1996, the Supplement A was listed in the Commissions' Daily Calendar of September 25, 1996, and Supplement B was listed in the Commissions' Daily Calendar of July 18, 1997.

No protest to the Advice Letter was filed.

#### DISCUSSION

Pacific requests to revise Schedule Cal. P.U.C. No. A9, Central Office Services, to grandfather the Package A and its two discount plans.

Pacific wishes to grandfather Package A and the discount plans and offer the current subscribers the option of subscribing the Classic Package. Current subscribers to Package A and its discount plans will have 60 days to convert their service to the Classic Package if they wish to do so. Pacific will regrade their service to the Classic Package at no charge. Any request to convert to the Classic Package after the 60 days will be assessed a nonrecurring charge of \$10 per line. Pacific believes that in most cases customers converting to the Classic Package will see a saving in their monthly rates. Pacific indicates that the Classic Package, which offers eight most popular Centrex features in a package, is only \$0.85 a month for all eight features while the same features in Package A cost \$0.50 each a month.

However, Pacific also acknowledges that not every of its current Package A customers would see benefits in converting to the Classic Package, especially customers that are currently subscribing to features in Package A that are not available in the Classic Package. These customers will likely want to stay with the Package A service. Accordingly, Pacific will continue

to provide the individual Package A features. To address the needs of customers seeking more information, Pacific will inform its current Package A customers in a customer notice to first contact a Pacific service representative to assist them in determining whether the Classic Package would be beneficial to them before converting.

Approximately 25,723 customers are currently subscribing to the Centrex Feature Package A and its two discount plans. Customers will be notified by mail of the proposed changes upon tariff approval.

After reviewing Pacific's request, we believe it presents customers with a fair service option of either maintaining existing Package A service or subscribing to the Classic Package. Accordingly, we find no valid reason to deny Pacific's request.  
FINDINGS

1. Pacific filed Advice Letter No. 18213 on May 3, 1996 to eliminate the Centrex Feature Package A discount plans. On September 23, 1996, Pacific filed Supplement A to grandfather Centrex Feature Package A, Option I - Line Discounts and Option II - Volume Discounts. Pacific filed Supplement B on July 15, 1997 to clarify that individual features under Centrex Feature Package A will still be available at the same rates after the grandfathering.
2. Existing customers will have 60 days to convert to the Centrex Classic Feature Package at no charge should they wish to do so.
3. Approximately 25,723 customers are currently subscribing to the Centrex Feature Package A and its two discount plans. Customers will be notified by mail of the proposed changes upon tariff approval.
4. Pacific estimates the annual revenue impact to be a decrease of \$412,032.
5. We find no valid reason to deny Pacific's request.

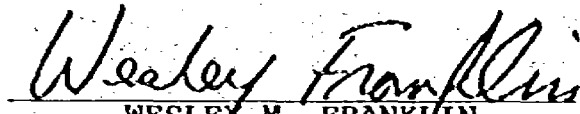
August 1, 1997

THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Pacific Bell's Advice Letter No. 18213 as supplemented effective on August 2, 1997.
2. The Advice Letter as supplemented and tariff sheets shall be marked to show that they were authorized by Resolution T-16024.

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 August 1, 1997. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
JOSIAH L. NEPPER  
RICHARD A. BILAS  
Commissioners