

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Division
Carrier Branch

RESOLUTION T-16819
February 11, 2004

R E S O L U T I O N

Resolution T-16819. SBC California (U-1001-C). Order Authorizing SBC California's request to increase rates for certain Network Reconfiguration Service Rate Elements in Conjunction with Changes to Network Reconfiguration Service.

By Advice Letter No. 24303 and 24303A Filed on October 20, 2003 and October 22, 2003, Respectively.

Summary

This Resolution authorizes SBC California's (SBC), to increase rates for certain rate elements in the Network Reconfiguration Service (NRS). Telcordia, the current software provider is no longer supporting the software and it is obsolete. SBC has upgraded the software and equipment and cannot bill for the new services until these tariffs are approved. The estimated increase in annual revenues is \$86,543. This is a Category II service.

Background

SBC has had provided Network Reconfiguration Service (NRS) since February 19, 1989. NRS is an optional feature available to customers to who subscribe to Advanced Digital Network Hicap Special Access Services. NRS allows these customers to remotely reconfigure DS0 (64 kbps voice grade), DS1 (1.544 mbps or 24 DS0) and/or DS3 (44.736 mbps or 28 DS1) circuits within their networks and route data among their business locations.

The customer can reconfigure their service to meet their data communication needs. For examples a DS1 circuit could be set up as a single 1.544 mbps channel or broken down into 24 DS0 channels at 64kbps.

The key to this service is a digital cross connect machine (DCS) that can be remotely reconfigured through commands. In the past, the customers were required to subscribe to a dedicated private line circuit to access the cross connect system on a host computer. This was a text-based system that required control codes that are particular key sequences. After December 31, 2003, Telcordia will no longer support this system. The software is obsolete and will have to be replaced. SBC is replacing the text-based system with a Graphic User Interface (GUI) system running under Windows. The GUI allows customers to easily reconfigure the routing of the lines to meet their data transport needs. The new system uses distributed processing on their own computer. SBC's servers receive the programming instructions and can reconfigure the system in real time. The immediate response is vital in cases of disaster recovery.

The GUI also allows customers to easily monitor the status of their lines. There are screens available which show the mapping of the lines. Customers can view network routing details and a record of pending, current and historical connections. Besides network routing details, customers can readily view facility details and options for network route selection. This allows customers to change the number of lines and network routing to meet data transfer needs. For example more lines could be used between offices to increase data transfer rates to more quickly transfer data or to back up data between offices.

SBC is eliminating certain rate elements (monthly rate and non-recurring charge) for the dedicated private lines which are no longer needed. SBC is proposing to increase the charges for channel termination and for DS0 NRS for 4 DS0 channels, 6 DS0 channels, 8 DS0 channels, 12 DS0 channels and 24 DS0 channels (DS1). SBC is establishing new rates for database maintenance for the new system and for security for access. SBC estimates that the increase in revenues will be approximately \$86,543.

Notice/Protests

SBC states that it mailed a copy of AL 24303 to competing and adjacent utilities and/or other utilities and interested parties as requested. Notice of filing of AL No. 24303 was published in the Commission's Daily Calendar on October 29, 2003. No protests were received.

Discussion

The revised NRS service provides much greater capabilities and flexibility to the customer using the GUI. The customer is able to review their existing configurations, look at various options and select necessary changes using screens that are easier to understand and navigate than the old system.

The rate elements are being restructured. In addition to eliminating the rate elements for the dedicated private line and the rate element for NRS per Fiber advantage reconfiguration, SBC is instituting new rate elements for database configuration and maintenance. The new Non-Recurring Charge (NRC) rate element for database installation and maintenance is \$2,400.00 and the Monthly Rate (MRC) will be \$120.00. The Access arrangement using a SecurID card is \$120.00 per month. The SecurID card is a credit card sized device that uses satellite communications to generate a numeric password each 60 seconds after a Personal Identification Number (PIN) is entered. After logging onto the computer system with a password there is a second login using the SecurID card. This helps keep the computer system more secure since the card and PIN is necessary to complete the login process. A new, random password is generated each time the SecurID card is used. This insures that even if the information were intercepted the passwords would not work in the future.

The new equipment and service resulted in different costs than were used in the past. There are investments in new equipment, servers and software. These investments required increases in the rates to cover the costs. We will approve the rate increases for NRS, but note that issues associated with rate increases for Category II services, including whether there should be offsetting rate decreases are under consideration in Phase 3A of the pending review of the New Regulatory Framework (NRF) for SBC and Verizon , R.01-09-001 *et al.* Our approval of this advice letter, in which the projected revenue impacts are *de minimus*, in no way affects or prejudices our resolution of the NRF Phase 3A issues.

Six MRC are being increased in conjunction with the changes in this service. A summary of the increases in rates is set forth in the table below:

CPUC 175T	USOC Description	Old Rate	New Rate
DFOCO	Network Reconfiguration Service, per DS0 Channel Termination	\$2.28	10.00
DFOC4	Network Reconfiguration Service for Flexible Hicap at 4 Channels	\$4.27	12.50
DFOC6	Network Reconfiguration Service for Flexible Hicap at 6 Channels	\$5.69	15.00
DFOC8	Network Reconfiguration Service for Flexible Hicap at 8 Channels	\$7.11	17.50
DFOC1	Network Reconfiguration Service per Flexible Hicap at 12 Channels	\$8.53	20.00
DFOCO	Network Reconfiguration Service per DS1 Channel Termination	\$14.79	40.00

In addition two rate elements will be combined. One DS3 Termination NRC of \$132.75 is eliminated. Another DS3 termination charge rate element is changed from a NRC to a MRC. The prior NRC of \$142.23 is eliminated and is replaced with a MRC of \$300.00.

Conclusion

The Telecommunications Division has investigated the rate increase request of SBC and the charges and rates contained in Advice Letters 24303 and 24303A are reasonable and should be approved.

Commission approval is based on the specifics of the AL and does not establish a precedent for the contents of future filings or for Commission approval of similar requests

Comments on DRAFT Resolution

The draft resolution of the Telecommunications Division on this matter was mailed to the parties in accordance with PU Code Section 311 (g)(1). No comments were received.

Findings

1. SBC filed Advice Letter 24303 on October 20, 2003 and Advice Letter 24303A on October 22, 2003.
2. The filing requests an increase in 6 Monthly Rates for Network Reconfiguration Service.
3. The prior version of the software for Network Reconfiguration Service will no longer be supported and is obsolete.
4. SBC is changing and improving the Network Reconfiguration Service.
5. The new rates and charges and tariffs are reasonable and justified.
6. No comments were received on the draft resolution.

THEREFORE, IT IS ORDERED that:

1. SBC's is authorized to make effective the tariff sheets attached to Advice Letter 24303 and 24303A. The effective date of the revised sheets shall be the effective date of this resolution.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 11, 2004. The following Commissioners approved it:

WILLIAM AHERN
Executive Director