

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Carrier Branch**

**RESOLUTION T-16770
August 22, 2003**

R E S O L U T I O N

Resolution T-16770. SBC California (U-1001-C). Request To Grandfather An Existing Product, Custom Billing Disk, and Convert Existing Customers to Compact Disk Bill.

By Advice Letter No. 23981 Filed on July 16, 2003.

Summary

This Executive Director Action Resolution approves SBC California's (SBC) request in Advice Letter (AL) No. 23981 to grandfather Custom Billing Disk product and convert existing customers to Compact Disk Bill product. The grandfathering is necessary because the equipment manufacturer has discontinued making the diskette producing machines and replacement parts for the existing machines are no longer available, therefore SBC can no longer support production of the Custom Billing Disk product. SBC is requesting that AL No. 23981 become effective August 25, 2003.

On September 8, 2003, SBC is authorized to convert existing Custom Billing Disk customers to Compact Disk Bill. Those customers converted to the Compact Disk Bill will continue to receive the same monthly bill details, charges and analysis software currently provided with Custom Billing Disk.

Although the current monthly rate for Compact Disk Bill is \$16.00 per compact disk, compared with \$14.25 for the Custom Billing Disk, existing customers and/or new subscribing customers who discontinue receipt of their paper bill detail will have the \$16.00 monthly rate for Compact Disk Bill waived, resulting in no monthly fee.

SBC indicates that existing Custom Billing Disk customers are being noticed of the proposed changes specified in AL No. 23981 for two complete billing periods. Existing Custom Billing Disk customers not interested in being converted to Compact Disk Billing are required to notify SBC of their decision by August 22, 2003. Those customers

who elect not to convert to Compact Disk Bill may choose another bill medium and/or receive a paper bill.

SBC will file a subsequent Advice Letter to request a permanent withdrawal of the Custom Billing Disk product.

Background

By AL No. 23981, filed on July 16, 2003, SBC requests authority to revise Schedule Cal. P.U.C. Nos. A1. Preliminary Statement, Section 1.1 General Information; A10. Miscellaneous Service Offerings, Section 10.5 Supplemental Billing; and 175-T Access Service, Section 18 Service for Resale, to grandfather the Custom Billing Disk product.

Custom Billing Disk is a 3.5-inch computer diskette that contains a copy of the customer's monthly telephone bill. The Custom Billing Disk contains billing details and charges along with analysis software that enables a customer to sort and summarize call data for analysis and reports. The Compact Disk Bill is comparable to the Custom Billing Disk, but uses a compact disk (CD ROM) as the medium. The Compact Disk Bill contains the same monthly bill details and charges, and analysis software as Custom Billing Disk product and is offered to Retail, Resale and Out-of-Franchise customers.

AL No. 18395, filed on August 2, 1996, introduced Compact Disk Bill as a new product offer. Compact Disk Bill was made available to all California customers within the exchange served by a central office where facilities and operating conditions permitted. SBC states that Compact Disk Billing is not available for carrier Access Bills or otherwise wholesale applications due to software limitations.

Compact Disk Billing product requires an IBM compatible CD drive for reading CDs. The CDs are compatible with Windows 3.1 through Windows 2000. SBC states the Compact Disk Billing software does not currently support Windows XP. However, Windows XP users will be considered with SBC's eventual plan of developing a web based billing solution that is projected to be rolled out during the second quarter of 2004 (April 1, 2004 - June 30, 2004). Therefore, with a web-based approach the use of the bill media will not be dependent upon a customer's Windows operating system.

Notice/Protests

SBC states that a copy of AL No. 23981 and related tariff sheets were mailed to competing and adjacent utilities and/or other utilities, and interested parties, as requested. Notice of AL No. 23981 was published in the Commission Daily Calendar of July 21, 2003. No protests to this Advice Letter were received.

Discussion

SBC's Cal P.U.C No. A2.1.1, Rule 1, states;

“The term “frozen/grandfathered service” applies to obsolete and/or outdated service the Utility no longer wishes to provide. The freezing/grandfathering of a service is the Utility's method of managing a tariff for this service prior to ultimately discontinuing the service, or change existing tariff regulations without discontinuing certain rights, privileges or conditions of the service to existing customers.”

In addition, SBC's Cal P.U.C. No. A2.1.2, A4 states, in part:

“Services that have been frozen and/or grandfathered will continue to be furnished to the same customer at the same premises until such time as stated in the tariff.”

In accordance with the preceding paragraphs, SBC, in AL No. 23981, requests authority to grandfather its Custom Billing Disk product that can no longer be supported due to the manufacturer's discontinuance of the diskette producing machines and replacement parts for the existing machines. In addition, SBC is seeking authority to convert existing Custom Billing Disk customers to Compact Disk Bill product. SBC states that the Compact Disk Bill is comparable to the Custom Billing Disk.

Resolution No. T-9598, dated March 22, 1977, authorizes the Executive Director to grant requests to Freeze or Limit Communications Utility Services of equipment that has been manufacturer discontinued.

On March 1, 2003, SBC was notified by the manufacturer that their last manufacturing cycle of the diskette duplication system occurred more than three years ago and they have found it exceedingly difficult to obtain critical parts and therefore support older equipment. The manufacturer advised SBC that their telephone, depot repair and replacement part support for the diskette machines or subassemblies ended on July 1, 2003. It was expected that part supplies of these systems would be depleted at that time. SBC has provided the Commission with a true and correct copy of the manufacturer's letter.

Accordingly, SBC is notifying existing Custom Billing Disk customers of the proposed changes in AL No. 23981 for two full billing periods prior to the conversion. Customers not interested in converting to the Compact Disk Bill have been given the option of contacting SBC, by August 22, 2003, to request their service not be converted and select

another bill medium and/or receive a paper bill. The conversion is scheduled to take place on September 8, 2003.

The monthly rate for the Compact Disk Bill is \$16.00 per disk, compared with \$14.25 for the Custom Billing Disk. However, the charges associated with the Compact Disk Bill will be waived for new customers and those existing Custom Billing Disk customers who choose to discontinue their paper bill detail, resulting in no monthly fee.

In light of the valid reasons provided by SBC, the Telecommunication Division (TD) believes that SBC's proposal in AL No. 23981 to grandfather Custom Billing Disk and convert existing customers to Compact Disk Bill is appropriate and reasonable. TD concludes that AL 23981 meets the requirements set forth in the Commission Orders and G.O. 96-A and recommends the Commission approve this filing.

Commission approval is based on the specifics of the Advice Letter and the associated contract, and does not establish a precedent for the contents of future filings or for Commission approval of similar requests.

Findings

1. SBC states that the equipment manufacturer no longer supports the equipment used in creating the Custom Billing Disk. Therefore, SBC can no longer adequately support production of the diskettes.
2. SBC offers a comparable service, Compact Disk Bill, to replace Custom Billing Disk product. Compact Disk Bill provides the same monthly bill details and charges and analysis software as the Custom Billing Disk.
3. The current monthly rate for the Compact Disk bill is \$16.00 per compact disk, compared with \$14.25 for the Custom Billing Disk.
4. Customers who subscribe to the Compact Disk bill product and choose to discontinue their paper bill detail will have the monthly rate for Compact Disk Bill waived, resulting in no monthly fee.
5. Customers who choose not to be converted to Compact Disk Bill are required to notify SBC by August 22, 2003, and may choose another bill medium and/or receive a paper bill.
6. Existing customers of the Custom Billing Disk product will be automatically converted to Compact Disk Bill on September 8, 2003.

7. SBC is notifying existing Custom Billing Disk users of the change for two full billing periods.
8. Compact Disk Bill was designed as a replacement technology to meet the evolving computer technology and future elimination of the floppy disk.
9. There have been no protests to AL No. 23981.
10. SBC's request in AL No. 23981 to grandfather Custom Billing disk and replace it with Compact Disk Bill is appropriate and reasonable.

THEREFORE, IT IS ORDERED that:

1. SBC's is granted authority to revise Schedule Cal. P.U.C. Nos. A1. Preliminary Statement, Section 1.1 General Information; A10. Miscellaneous Service Offerings, Section 10.5 Supplemental Billing; and 175-T Access Service, Section 18 Service for Resale, and to grandfather the Custom Billing Disk product effective with the effective date of this resolution.
2. Customers who choose to discontinue their paper bill detail shall have the monthly rate for Compact Disk Bill Waived, resulting in no monthly fee.
3. SBC shall provide existing customers served by Custom Billing Disk who do not wish to convert to Compact Disk Bill product, the option to choose another bill medium and/or to receive a paper bill.
4. SBC shall, on a quarterly basis beginning November 1, 2003, report to the Commission's Director of Telecommunications Division of the progress made in the development of the web-based billing solution for customers subscribing to Compact Disk billing who have the Windows XP operating system.
5. SBC's AL No. 23981 and related tariff sheets shall be marked to indicate that they were authorized by California Public Utilities Commission Resolution T-16770 and its effective date.

Resolution T-16770
TD/MCZ

This Resolution is effective today.

I hereby certify that this Resolution was adopted by Executive Action Resolution on
8/22/03.

/s/ WILLIAM AHERN

WILLIAM AHERN
Executive Director