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Decision 84 12 055

DEC 19 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Commission)
 Resolution No. T-10865)
 Ordering Detariffing of)
 Mobile Customer Premises)
 Equipment and Related)
 Accounting Changes.)

Application 84-10-005
 (Filed October 1, 1984)

Application 84-11-033
 (Filed November 13, 1984)

ORDER DENYING REHEARING OR
 MODIFICATION OF RESOLUTION (RES.) T-10865

General Telephone Company of California (General) has applied for rehearing of Res. T-10865, which we adopted on September 6, 1984. Citizens Utilities Company of California (Citizens) filed a petition for modification and request for temporary stay of Res. T-10865. By that resolution we required General and Citizens, among other utilities, to file tariff revisions on or before October 1, 1984, to be effective on not less than five days notice, providing that certain mobile Customer Premises Equipment (CPE) then offered under tariff would thereafter be offered on a detariffed basis. We also required the affected utilities to transfer the book value and related accumulated depreciation of the detariffed CPE to an appropriate account for non-utility property. Res. T-10865 carries out our duty, under the "Second Report and Order" of the Federal Communications Commission, CC Docket 81-893, to effect the detariffing of certain embedded mobile CPE by January 1, 1985.

General filed its application for rehearing on November 13, 1984. It alleges that the application is timely because Res. T-10865 was not mailed to General, according to its contention, until October 12, 1984. Our own investigation indicates that Res. T-10865 was "issued" (i.e., mailed) some 60 days before General applied for rehearing. Accordingly, the application was not timely filed under the statute and our Rules of Practice and Procedure, which establish a 30-day deadline for such applications. (Pub. Util. Code §1731(b); 20 Cal. Admin. Code §85.) However, General and Citizens raise similar substantive objections to Res. T-10865, and our response herein is equally applicable to both.

Citizens and General allege that they will experience various revenue shortfalls as a result of Res. T-10865. Citizens notes that revenues from its mobile CPE are presently applied to its revenue requirement, as ordered in our Decision 83-10-092, and that some 62% of its mobile CPE is included in intrastate rate base for settlement purposes. General notes that it has unrecovered capital investment in embedded mobile CPE, and argues that any capital loss resulting from this detariffing should be borne by General's ratepayers.

Res. T-10865 did not address or resolve these alleged shortfalls, nor was it required to do so. The Federal Communications Commission stated clearly that the detariffing of embedded mobile CPE did not have to await decisions by state regulators allocating losses associated with detariffing. (See "Second Report and Order," supra, at note 43 and accompanying text.)

We are now preparing to issue an Order Instituting Investigation which is planned to encompass various CPE issues.

We believe that investigation is the appropriate forum in which to consider the allocation of losses arising from the present detariffing. Accordingly, we see no reason to modify or stay Res. T-10865. Therefore,

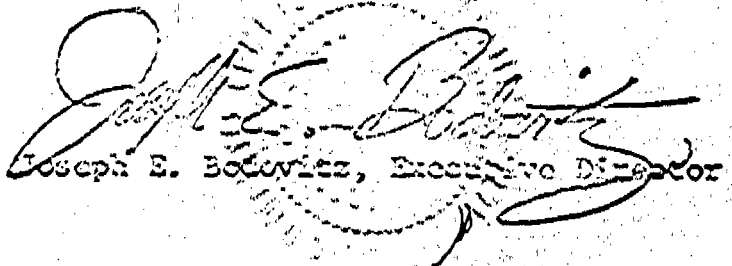
IT IS ORDERED that the requests for modification, rehearing, and temporary stay of Res. T-10865 are denied.

This order is effective today.

Dated DEC 19 1984, at San Francisco, California.

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
WILLIAM T. BAGLEY
FREDERICK R. DUDA
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. BoGovitz, Executive Director