

Decision 90 07 017 JUL 6 1990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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| In the Matter of the Application of Contel of California, Inc. for a review of its cost of capital and capital structure for 1990. |) | Application 89-10-004 (Filed October 2, 1989) |
| In the Matter of the Application of Citizens Utilities Company of California, constituting its compliance filing for financial attrition review. |) | Application 89-10-007 (Filed October 2, 1989) |
| In the Matter of the Application of Roseville Telephone Company for a review of its cost of capital and capital structure. |) | Application 89-10-008 (Filed October 2, 1989) |

O P I N I O N

Citizens Utilities Company of California (Citizens) petitions the Commission for modification of Decision (D.) 90-06-015 which established its cost of capital for the 1990 attrition year. Specifically, Citizens believes the intent of Ordering Paragraph 1 is inconsistent with the language of the ordering paragraph.

The pertinent portion of Ordering Paragraph 1 of D.90-06-015 states:

"Citizens shall reduce the surcharge currently applied to intrastate access, intralata toll and local exchange services and be calculated on an estimated 1990 billing base developed using the same methodology adopted in the 1989 cost of capital proceeding." (Emphasis added.)

Citizens comments that it does not have surcharges applied to intrastate access or local exchange services. In Citizens' 1989 financial attrition decision, the Commission ordered

Citizens to reduce its surcharge on interLATA toll and intraLATA toll. The interLATA toll surcharge has been eliminated. Citizens believes the Commission intended to direct Citizens to reduce the intraLATA toll surcharge consistent with the methodology adopted in the 1989 cost of capital proceeding.

Citizens is correct that we did not intend for it to reduce a surcharge which does not exist. It has come to our attention that the ordering paragraph for Roseville Telephone Company (Roseville) is similarly incorrect, as a review of its currently filed tariffs confirms. We will modify the ordering paragraphs in D.90-06-015.

Findings of Fact

1. Ordering Paragraph 1 of D.90-06-015 required Citizens to reduce its surcharges on intraLATA toll, intrastate access and local exchange services.

2. Ordering Paragraph 2 of D.90-06-015 required Roseville to reduce its surcharges on intraLATA toll, intrastate access and local exchange services.

3. Citizens does not currently have surcharges applied to interLATA toll, intrastate access and local exchange services.

4. Roseville does not currently have surcharges applied to interLATA toll, intrastate access and local exchange services.

Conclusion of Law

Ordering Paragraphs 1 and 2 of D.90-06-015 intended that Roseville and Citizens reduce existing surcharges consistent with the methodology applied in their 1989 financial attrition proceedings.

ORDER

IT IS ORDERED that:

1. Ordering Paragraph 1 of D.90-06-015 is modified to read:
Citizens Utilities Company of California shall file an advice letter within 10 days after the

effective date of this decision to flow through the revenue reductions ordered in this decision. Citizens shall reduce any surcharge (or surcredit) currently applied to intrastate services, as set forth in Schedule A 27, using an estimated 1990 billing base and the same methodology adopted in the 1989 cost of capital proceeding. The revenue reduction shall be on a bill-and-keep basis and shall be effective 14 days after filing of the advice letter.

2. Ordering Paragraph 1 of D.90-06-015 is modified to read:

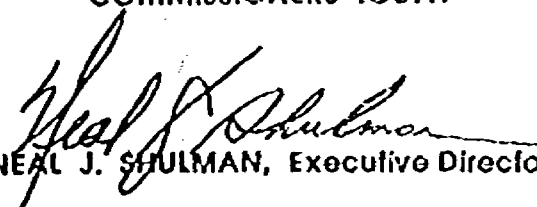
Roseville Telephone Company shall file an advice letter within 10 days after the effective date of this decision to flow through the revenue reductions ordered in this decision. Roseville shall reduce any surcharge (or surcredit) currently applied to intrastate services, as set forth in Schedule A 28, using an estimated 1990 billing base and the same methodology adopted in the 1989 cost of capital proceeding. The revenue reduction shall be on a bill-and-keep basis and shall be effective 14 days after filing of the advice letter.

This order is effective today.

Dated JUL 6 1990, at San Francisco, California.

G. MITCHELL WALK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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


NEAL J. SHULMAN, Executive Director