

L/dp

Decision 92-06-034 June 3, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rulemaking on the Commission's own
motion for the purpose of modifying
existing tariff filing rules for
telecommunications utilities, other
than local exchange carriers and
AT&T-C, and for the purpose of
addressing other issues concerning
the regulation of these utilities.

ORIGINAL

R.85-08-042
(Filed August 21, 1985)

**ORDER MODIFYING DECISION 91-12-013
AND DENYING REHEARING**

MCI Telecommunications Corporation (MCI) has filed an application for rehearing of Decision (D.) 91-12-013. We have considered all the allegations of error in the application and are of the opinion that good cause for rehearing has not been shown. However, we believe the decision should be modified to indicate that notice to customers of "minor" rate increases is not required.

D.91-12-013 is an order modifying D.90-08-032 (37 Cal.P.U.C.2d 130) after limited rehearing of that decision was granted pursuant to D.90-12-102. D.90-08-032 adopted various changes in the tariff filing rules applicable to non-dominant interexchange carriers (NDIECs). On rehearing, several issues were revisited in workshops, including the issue of notice provisions for rate increases. As a result of the workshops and comments filed by the parties, the Commission Advisory and Compliance Division (CACD) issued a Workshop Summary on May 28, 1991 which, among other things, set forth a compromise position on the 30-day notice requirement for rate increases adopted in D.90-08-032.

The compromise position was agreed to by all of the workshop participants, including CACD, the Division of Ratepayer Advocates (DRA), the Consumer Affairs Branch (CAB), and the NDIECs. That position involved a bifurcation of rate increases

into "major" and "minor" rate increases. "Minor" increases, which are less than both 1% of total California intrastate revenue and 5% of the affected service's rates, would go into effect five days after filing and would not require individual notice to customers. "Major" increases would go into effect in 30 days, with notice provided to customers by way of a bill insert, a first class mailing, or a printed message on the bill itself.

In D.91-12-013, we adopted the compromise position of the parties on notice. (D.91-12-013, unpublished, at pp. 5-6.) However, in determining the acceptable methods for providing notice, we stated that "we will add the option of printing messages on periodic bills by NDIECs as an additional way of providing notices to customers, including 'notice' of minor rate increases." (D.91-12-013, unpublished, at pp. 6-7.) Upon reconsideration, we believe that, in accordance with the compromise agreement, individual notice to customers of "minor" rate increases should not be required.

We note that this decision renders the petition for modification of D.91-12-013 filed by US Sprint Communications Company Limited Partnership on June 6, 1992 moot.

THEREFORE, IT IS ORDERED that D.91-12-013 is modified as follows:

1. On page 6, the final sentence, which continues on page 7, is modified to read:

Accordingly, we will add the option of printing messages on periodic bill inserts as an additional way of providing notice to customers of pending rate increases.

2. On page 18, Ordering Paragraph 1.c, which modifies Finding of Fact 5 of D.90-08-032, is modified to read:

Bill inserts, notices printed on the bill itself, and/or notices by first class mail are reasonable methods for informing customers of pending major NDIEC rate increases.

3. On page 19, Ordering Paragraph 1.h, which modifies Conclusion of Law 4 of D.90-08-032, is modified to read:

Bill inserts, notices printed on the bill itself, and/or notices by first class mail of pending major NDIEC rate increases are reasonable and proper noticing methods and should be required.

4. On page 20, Ordering Paragraph 1.k, which modifies Ordering Paragraph 5.d. of D.90-08-032, is modified to read:

Uniform minor rate increases, as defined in D.90-11-029, for existing services shall become effective on not less than five (5) working days' notice. Customer notification is not required for such minor rate increases.

IT IS FURTHER ORDERED that rehearing of D.91-12-013 as modified herein is denied.

This order is effective today.

Dated June 3, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President

JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SULMAN, Executive Director