

Mailed
SEP 3 1992

Decision 92-09-015 September 2, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of PAY-LESS CELLULAR, INC., a)
California corporation, for a)
Certificate of Public Convenience)
and Necessity to Operate as a)
Reseller of Cellular Radio)
Telecommunications Within)
California and for Exemption from)
the Requirements of Sections 816-)
830 and 851-855 of the Public)
Utilities Code.)

Application 92-06-018
(Filed June 15, 1992)

OPINION

Pay-Less Cellular, Inc. (applicant) seeks a certificate of public convenience and necessity (CPC&N) to operate as a reseller of cellular radio telecommunications services within California, for exemption from the provisions of Public Utilities (PU) Code §§ 816-830 and §§ 851-855, and for exemption from the requirements of Section VI of General Order 96-A.

Applicant asserts that its management has been actively engaged in the sale, distribution, and service of cellular telephone services and equipment for approximately five years. In addition, they have successfully operated several retail businesses during their professional careers. Applicant's management possesses the necessary business experience and knowledge to service the public as a certified cellular reseller.

Applicant proposes to sell 10,000 shares of its common stock for an aggregate cash consideration of \$50,000. Additional funds that may be required by applicant from time to time will be advanced to applicant by its shareholders, additional investors, or through a bank line of credit.

Applicant proposes to operate as a resale carrier of cellular radiotelephone service within California. It does not construct, own, or operate any fixed cellular radio equipment or facilities. It will sell to end-users the services provided by communications carriers which do operate the fixed facilities necessary to transmit cellular telephone traffic. Applicant proposes to resell cellular radio services in some or all of California, and initially in the Los Angeles Standard Metropolitan Statistical Area (SMSA).

At the outset, applicant proposes to resell the services which are provided by either or both L.A. Cellular and Los Angeles SMSA Limited Partnership, the wholesale cellular providers in the Los Angeles SMSA, and other facilities-based licensed certificated cellular radiotelephone carrier operating in the greater Los Angeles area (herein collectively Utility Carriers). Applicant will purchase services from the Utility Carriers at the wholesale rates authorized in their respective tariffs and will resell these services to the general public at reasonable rates initially as set forth below:

Basic Plan

Connection Charge	\$50.00
Monthly Access Charge	45.00
Peak Minute Usage	.45
Off-Peak Minute Usage	.27

Applicant will offer other services and rate plans to the general public at reasonable rates.

Applicant alleges that public convenience and necessity require Commission approval of this application for the following reasons:

Applicant's proposed resale of cellular service will enhance competition in the cellular retail market.

Enhanced competition will bring long-term benefits to California cellular subscriber such as:

1. Lower priced service and
2. Increased ability of customers to choose between service providers, a wide variety of service packages, and a wide variety of choices of mobile customers premises equipment.

Applicant has provided adequate information for a grant of authority to provide cellular telecommunications services. Cellular resale markets in California are, by their nature, generally competitive. That competition will restrain applicant from charging unreasonably high prices to customers. Applicant has adequate financial resources to withstand short-term losses.

As a telephone corporation, applicant is subject to:

1. The fee used to fund the costs of regulating public utilities. (PU Code §§ 401-410, 431-435.) Resolution M-4760 set the fee for fiscal year 1992-93 for telephone corporations at one-tenth of 1% (0.1%) of revenue subject to the fee.
2. The surcharge of three-tenths of 1% (0.3%) on gross intrastate revenues used to fund Telecommunications Devices for the Deaf. (PU Code § 2881; Resolution T-13061.)

Applicant should include in its tariff appropriate rules for imposing these fees and surcharges.

Findings of Fact

1. Notice of the filing of the application appeared in the Daily Calendar on June 26, 1992. Service of the application was made in accordance with Rule 18(b). No protests have been filed. A hearing is not necessary.

2. Applicant seeks a CPC&N to operate as a reseller of cellular telecommunications services in the Los Angeles area and throughout California.

3. The proposed operation is technically and financially feasible.

4. Since no facilities are to be constructed, it can be seen with certainty that the proposed operation will not have a significant effect on the environment.

5. Public convenience and necessity require the granting of this application.

Conclusions of Law

1. Applicant should be granted a waiver of PU Code §§ 816-830 and 851-855, consistent with Decision (D.) 85-07-081 and D.85-11-044.

2. Applicant is subject to the user fee system, as set forth in PU Code § 401, et seq. The user fee for the 1992-93 fiscal year is 0.1%.

3. Applicant is subject to a three-tenths of 1% (0.3%) surcharge on gross intrastate revenues to fund Telecommunications Devices for the Deaf.

4. Applicant should include in its tariff appropriate rules for imposing fees and surcharges.

5. Applicant is subject to the provisions of General Order 96-A, as modified by D.88-05-067 and D.90-06-025.

6. The application should be granted.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of those rights at any time.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Pay-Less Cellular, Inc. (applicant) to operate as a reseller of cellular telecommunications services in California.

2. Within 20 days of the effective date of this order, applicant shall file a written acceptance of the certificate.

3. Applicant is authorized to file, after the effective date of this order and in compliance with General Order (GO) 96-A, tariffs applicable to its cellular resale services. The tariffs shall become effective on not less than 5 days' notice. The rates and charges shall be as proposed in this application.

4. Applicant shall notify the Director of the Commission Advisory and Compliance Division (CACD) in writing of the date service is first rendered to the public as authorized herein, within 5 days after service begins.

5. Applicant shall comply with GO 96-A, as revised in D.88-05-067 and D.90-06-025. Applicant shall also comply with the Electronic Serial Number (ESN) blocking tariff rules specified in D.90-06-025.

6. Applicant shall file an annual report, in compliance with GO 104-A, on a calendar-year basis using the format specified by the Chief of the Auditing and Compliance Branch of CACD. (Appendix A.)

7. Applicant shall comply with Public Utilities (PU) Code § 401, et seq., and Resolution M-4760, as they pertain to the collection of user fees to fund the costs of regulating public utilities.

8. Applicant shall comply with PU Code § 2881 and Resolution T-13061 as they pertain to a surcharge on gross intrastate revenues to fund Telecommunications Devices for the Deaf.

9. Applicant shall include in its tariff appropriate rules for imposing and collecting the user fees and surcharges in Ordering Paragraphs 7 and 8.

10. The corporate identification number assigned to applicant is U-4111-C which shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

11. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire

if not exercised within 12 months after the effective date of this order.

12. Within 60 days of the effective date of this order, applicant shall comply with PU Code § 708, Employee Identification Cards, and notify, in writing, the Chief of the Telecommunications Branch of CACD.

13. The application is granted.

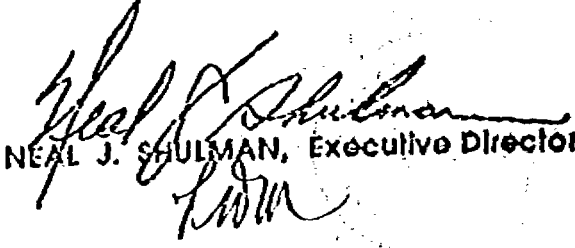
This order is effective today.

Dated September 2, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
NORMAN D. SHUMWAY
Commissioners

Commissioner Patricia M. Eckert,
being necessarily absent, did
not participate.

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


NEAL J. SHULMAN, Executive Director

APPENDIX A

Information Requested of California Interexchange Telephone Utilities.

To be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3251, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

1. Exact legal name and U # of reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (e.g., corporation, partnership, sole proprietorship, etc.).
If incorporated, specify:
 - a. Date of filing articles of incorporation with the Secretary of State.
 - b. State in which incorporated.
6. Commission decision number granting operating authority and the date of that decision.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. A list of all affiliated companies and their relationship to the utility. State if affiliate is at
 - a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.

(END OF APPENDIX A)