

ORIGINAL

Decision 82 03 022 MAR 2 - 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
own motion to provide for a)
program for the furnishing of)
telecommunications devices to the) OII 70
deaf and severely hearing impaired) (Petition filed January 29, 1982)
to be implemented by each)
California telephone utility.)

SIXTH INTERIM OPINION

The California Independent Telephone Association (CITA), on behalf of its smaller member companies, has, by this petition, requested that the Commission modify Decision (D.) 93495 dated September 1, 1981, to provide that funds accumulated by means of the surcharge established in this proceeding for provision, to persons with hearing impairment, of telecommunications devices for the deaf (TDDs) accrue interest at the "highest rate available", rather than the published Federal Reserve Board three-month prime commercial paper rate.

CITA states that it is assisting the following telephone utilities to comply with the Commission's orders in Order Instituting Investigation (OII) 70:

Calaveras Telephone Company,
California-Oregon Telephone Company,
Capay Valley Telephone Systems, Inc.,
Citizens Utilities Company of California,
Continental Telephone Company of California,
CP National Corporation,
Dorris Telephone Company,
Ducor Telephone Company,
Evans Telephone Company,
Foresthill Telephone Company,

Happy Valley Telephone Company,
Hornitos Telephone Company,
Kerman Telephone Company,
Livingston Telephone Company,
Mariposa County Telephone Company,
Pinnacles Telephone Company,
Ponderosa Telephone Company,
Roseville Telephone Company,
Sierra Telephone Company,
Siskiyou Telephone Company,
Tuolumne Telephone Company,
Volcano Telephone Company, and
West Coast Telephone Company of California.

Most of these independent telephone utilities are small. Except for Continental Telephone Company of California, none of the utilities have collected more than \$1,000 monthly from the surcharge. One utility's monthly billed surcharge is less than \$30. Several of the utilities have requested their local banks to pay interest on the surcharge funds at the commercial paper rate but their requests have been denied.

No protests to the CITA request have been received.

The Commission recognizes that the smaller utilities have been unable to invest the surcharge funds at a rate sufficient to cover accruals on the surcharge funds at the commercial paper rate. The Commission has recently, by D.82-02-022, authorized the respondent telephone utilities to disburse funds collected and accumulated under D.93495 to the trustee selected for the Deaf Equipment Acquisition Fund Trust (D.E.A.F. Trust), the Bank of America. The issue, insofar as it applies to future accruals, is moot. Recognition should be given to the fact that the smaller utilities have not been able to invest the surcharge funds at rates sufficient to compensate them for the required accrual rate. Accordingly, telephone utilities which have collected less than \$1,000 monthly in surcharges will only be required to provide interest accrued at the highest rate available to them. Small utilities should be reimbursed, as an expense of implementing the TDD program, for interest accrued in excess of the highest rate available to them.

In order that the D.E.A.F. Trust may immediately reimburse small telephone utilities for excess funds accrual, this order should become effective today.

Findings of Fact

1. Small telephone utilities have been unable to invest TDD surcharge funds collected according to D.93495 at the published Federal Reserve Board three-month prime commercial paper rate specified by that decision.

2. A public hearing is not necessary.

Conclusions of Law

1. To require accrual of the Federal Reserve Board three-month prime commercial rate on TDD surcharge funds by these utilities too small to secure such rate on their temporary cash investments would be confiscatory and contrary to the Fifth and Fourteenth Amendments to the Constitution of the United States and Article 1, Section 19, of the Constitution of the State of California.

2. Small telephone utilities which have collected and accumulated less than \$1,000 monthly in TDD surcharges should be required only to provide interest on such accumulated funds at the highest rate available to the small utilities.

SIXTH INTERIM ORDER

IT IS ORDERED that a telephone utility which has collected and accumulated less than \$1,000 monthly in telephone devices for the deaf surcharges may adjust its contributions to the Deaf Equipment Acquisition Fund Trust (D.E.A.F. Trust) so that interest accrued on the surcharge funds while they were held by the small telephone utility is calculated at the highest rate available to the utility.

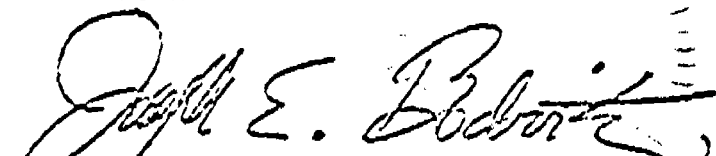
In the event that funds including accrued interest at a rate higher than the highest rate available have already been transferred by the small utility to the D.E.A.F. Trust, the trust may reimburse the utility for such excess accrual or else future contributions shall be adjusted so that the small telephone utility will recover the excess contributions.

This order is effective today.

Dated MAR 2 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. CRAVELLE
LEONARD M. CRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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


Joseph E. Bodovitz, Executive Director