

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

C-4

Copy for:

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to Executive Director

RESOLUTION NO. T-11097

EVALUATION AND COMPLIANCE  
DIVISION

DATE: January 28, 1987

R E S O L U T I O N

Director

Numerical File

Alphabetical File

Accounting Officer

SUBJECT: San Diego Cellular (U-3008-C). Order authorizing an increase in certain service activation charges. No net revenue increase is expected. Resolution No. T-11097.

WHEREAS: SAN DIEGO CELLULAR, by Advice Letter No. 4, filed December 1, 1986, requests authority under Section 454 of the Public Utilities Code to make effective the following tariff revisions:

To restructure the retail basic service rates and charges for cellular mobile radiotelephone service, resulting in the following minor increases:

Service activation charge (service order charge) for 24 to 49 units (same customer) is increased to \$35, from \$33.

Service activation charge for 50 or more units (same customer) is increased to \$35, from a former scale ranging from \$31 to \$27.08.

Air time per minute rate for the first 180 peak period minutes is increased to \$0.37, from a former scale ranging from \$0.368 to \$0.352.

Other elements of the restructure are numerous minor reductions, and a simplification of the "quantity discount" structure. The net effect is expected to be a small reduction in revenues. The purpose of these revisions is to enhance the marketing position of the utility with respect to its competitor, PacTel Mobile Access. (San Diego Cellular is the former Gencom system, which was sold by Pacific Telesis to NewVector).

Another revision which in effect is a reduction is the change in billing for wholesale air time, whereby rounding is now to be made to the next higher one-tenth of a minute, rather than to the next higher full minute.

A protest was made to this filing by Cellular Service, Inc. (CSI). CSI alleged that certain of the reductions in access

charges resulted in an untenable situation for a reseller, i.e., insufficient margin to be able to make the same offering. However, San Diego Cellular in reply showed clearly that when the effect of the new minute rounding is taken into account, the reseller is in fact in a competitive position superior to that which he would have by reselling PacTel service. Accordingly, we find that the protest should be denied.

We note that future changes in retail minute rounding could negate the advantage, and we shall be attentive to any future revisions of this sort.

The Commission finds that the rates, charges and conditions authorized in this Resolution are just and reasonable and present rates, charges and conditions, as they differ from the rates, charges and conditions authorized in this Resolution are for the future unjust and unreasonable; and good cause appearing,

IT IS ORDERED that:

- (1) The protest of Cellular Service, Inc. is denied.
- (2) Authority is granted to make the above revisions effective on January 29, 1987.
- (3) Revised Cal P.U.C. Sheet No. 80-T shall be marked to show that such sheet was authorized by Resolution of the Public Utilities Commission of the State of California No. T-11097.

The effective date of this Resolution is today.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the Public Utilities Commission of the State of California, held on January 28, 1987, the following Commissioners voting favorably thereon:

STANLEY W. HULETT  
President  
DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
Commissioners



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Executive Director