

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION
Telecommunications BranchRESOLUTION NO. T-12010
March 25, 1987R E S O L U T I O N

CAL-COM RADIOTELEPHONE SERVICE (U-2005-C). ORDER AUTHORIZING INCREASED RATES FOR MANUAL AND AUTOMATIC TWO-WAY RADIOTELEPHONE SERVICE. ANNUAL NET INCREASE IN BILLING IS ESTIMATED AT \$140,806.
RESOLUTION NO. T-12010.

WHEREAS: Cal-Com Radiotelephone Service, by Advice Letter No. 14, filed February 2, 1987, requests authority under Section 454 of the Public Utilities Code to make effective the following tariff revisions:

1. To revise the rates for manual two-way service as follows:

	<u>Present</u>	<u>Proposed</u>
Basic Rate	\$25 per month	\$30 per month
msg allowance	50	0
1st 50 msgs. over allowance	\$0.35 ea.	\$0.25 ea.
msgs. over 50	\$0.35 ea.	\$0.45 ea.
limited activity calls, 1st 50	\$0.175 ea.	\$0.125 ea.
lim. act. over 50	\$0.175 ea.	\$0.225 ea.

(limited activity calls are 30 sec. or less, e.g., check-in calls, time checks, position reports)

2. To revise the rates for automatic two-way service as follows:

	<u>Present</u>	<u>Proposed</u>
Basic rate	\$30 per month	\$25 per month
msg. allowance	100	0
100 over alws.	\$0.10 ea.	n/a
more than 200 over	\$0.30 ea.	n/a
1st minute	n/a	\$0.20 on-peak \$0.10 off-peak
minutes 2-5	n/a	\$0.40 on-peak \$0.20 off peak
minutes 6 & up	n/a	\$0.60 on-peak \$0.30 off-peak
roamer rates per minute	\$0.30	Same as regular subscriber rates

By this filing the utility also deletes the offering of "limited access service" on certain channels, and of all manual paging offerings, for which there are no customers and no orders outstanding.

The proposed rate increases are necessitated to offset substantial losses being experienced under the present rates. 1986 operations produced losses of \$19,637 for automatic service and \$92,205 for manual service, a total of \$111,842. The projected billing increases should generate an additional \$140,806, which would result in a profit of \$28,964 on total receipts of \$558,725 for these offerings.

The last previous increases were in 1979 for manual service and 1980 for automatic. The present noncompensatory situation results from several factors, including subscriber base erosion from competition by private radio services which are unregulated, increased labor costs, and a bad farm economy in recent times in the El Centro area.

Eleven letters of protest were received. All but one of these are photocopies of a single original and differ only in signatures. The gist of the letters is that Cal-Com should cut expenses rather than raise rates, in view of the depressed local farm economy. No specifics are offered. In view of the magnitude of losses experienced, we find it unreasonable to attempt to cure the problem by expense reduction and conclude that the protests should be denied.

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 protests as described are denied.
- (2) Authority is granted to make the above revisions effective on March 26, 1987.
- (3) Revised Cal. P.U.C. Sheets Nos. 168-T, 170-T, 172-T, 173-T, 174-T and 175-T shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission of the State of California Resolution No. T-12010.

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 March 25, 1987 the following Commissioners voting favorably thereon:

Commissioner John B. Ohanian,
present but not participating.



Executive Director

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