

Original

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12061
January 28, 1988

R E S O L U T I O N

CAL-AUTOFONE. ORDER AUTHORIZING AN INCREASE IN RATES FOR TWO-WAY MOBILE RADIOTELEPHONE SERVICE AND THE ADDITION OF A SERVICE RESTORATION CHARGE.

SUMMARY

By Advice Letter No. 25, filed November 12, 1987, Cal- Autofone wishes to increase its monthly rate for Vehicle Mounted Mobile Units from \$25.00 to \$27.50 and \$10.00 to \$12.50, for 50 Message Units and Zero Message Units, respectively. And for Rural Stationary Mounted Units, Cal-Autofone seeks to increase its monthly rate for Basic Service (Mon-Sat 7:00pm-7:00am, 24 hours on Sunday and Holidays) from \$19.50 to \$22.00 and \$10.00 to \$12.50 for Zero Message Units. In addition, Cal-Autofone desires to add a Service Restoration Charge of \$15.00, that will apply, when restoring service which has been discontinued. All interested parties and customers were notified of these changes. No protests were received.

BACKGROUND

Cal-Autofone has customers and provides service in and around Del Norte, Humboldt, Mendocino, and Sonoma County. Its 1986 income statement reveals \$505,246.30 in gross revenue from utility's mobile and land-based radiotelephone service. It is estimated that this Advice Letter No. 25 will generate an additional \$20,310.00 in revenue, representing a 4.02% increase in present revenue. The additional income to the utility is needed to defray the increased costs related to interconnection facilities, contractor operator services, and maintenance, repair, and replacement of fixed station and control equipment and terminals. Cal-Autofone has not increased its rates since 1982.

In regards to the Service Restoration Charge, a \$16.00 charge will apply which will compensate the utility for the expense of disconnection and reconnection of customers whose service has been interrupted as a consequence of violation of the utility's tariff requirements, as provided in Rule No. 11. The amount of revenue to be derived from this provision cannot be predicted accurately, being dependent upon the incidence of such violations, and will in any event merely offset the expenses caused thereby. Concurrently, with the filing of Advice Letter No. 25, the utility has notified its customers that they may be subject to this charge following the filing's effective date.

DISCUSSION

While Cal-Autofone proposes an increase from \$25.00 to \$27.50 per month, for vehicle mounted mobile units, we note that Sonoma Communications, Cal-Autofone's primary competitor in Sonoma County, charges \$17.50 per month for identical service. However, Cal-Autofone insists that: its signal strength is stronger, it has more radio frequencies to utilize, its area served is larger, and its overall service is much better than any of its competitors.

Therefore, Cal-Autofone's proposed two-way mobile telephone service rates, given the quality of service which is claimed to be considerably better, would be consistent with other market driven rates in its territory.

As regards the Service Restoration Charge, we will allow the utility to apply a charge of \$15.00, when restoring service which has been discontinued, for any of the reasons, already noted, in the BACKGROUND of this resolution.

FINDINGS

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

IT IS ORDERED THAT:

- (1) Authority is granted to make the above tariff revisions effective on January 28, 1988

(2) Revised Cal. PUC Sheets Nos. 203-T, 204-T, 205-T, 206-T, 207-T, 208-T, 209-T, 210-T, and 211-T shall be marked to show such sheets were authorized by Resolution of The Public Utilities Commission of the State of California Resolution No. T-12061

The effective date of this Resolution is today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 28, 1988. The following Commissioners approved it:

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



Executive Director