

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12094
June 17, 1988

R E S O L U T I O N

PACTEL CELLULAR (U-3001-C). ORDER DISMISSING PROTEST OF MISSION BELL TELECOMMUNICATIONS (U-4059-C) TO ADVICE LETTER NO. 26 (AND SUPPLEMENT) OF PACTEL CELLULAR.

SUMMARY

PacTel Cellular (PacTel) filed Advice letter No. 26 on May 19, 1988 withdrawing its offering of VIP Service Plan and Executive Plan at wholesale, and withdrawing its Corporate Plan at retail, in conjunction with consolidation of cellular services in its Basic Plan at wholesale and retail. PacTel also revised its Rule No.4 proposing waiving of certain service establishment and activation charges for customers who previously used PacTel's service and have requested to return. A protest was received June 1, 1988, from Mission Bell Telecommunications (Mission Bell), a reseller of cellular service, against the withdrawal of PacTel's wholesale VIP and Executive Plans, and the waiver of activation charges by PacTel for retail customers who previously use PacTel's service and have requested to return to PacTel.

In response to the protest, PacTel filed a supplement to Advice Letter No. 26 on June 14, 1988, which cancelled its withdrawal of VIP and Executive Service Plans at wholesale, and clarified its Rule No. 4, "Temporary Waiver of Activation Charge" to extend to both wholesale and retail customers. Since PacTel has responded in full to the complaints of Mission Bell in its protest, the protest is moot, and is dismissed without prejudice. PacTel's Advice Letter No. 26, as supplemented June 14, 1988, will become effective on regular notice, June 29, 1988.

BACKGROUND

PacTel, by its Advice Letter No. 26 filed May 19, 1988, requested authority to implement certain restructuring and reductions in rates charged for its cellular service in the San Diego Cellular Geographic Service Area (CGSA), both at the retail and wholesale level, and to withdraw its Retail Corporate Plan in order to consolidate its feature with its Basic Business Rate Plan.

PacTel proposed to:

- 1) Change its retail monthly access charge from a flat \$35 per month for each and every number to a rate of \$35 per month for a single number, \$33 per month for 2 to 7 numbers, \$30 per month for 8 to 23 numbers, and \$27 per month per number for 24 or more numbers.
- 2) Change its retail usage rates from a flat \$0.24 per off-peak minute to \$0.20 per off-peak minute and offer a discount of 10% for usage which exceeds 200 minutes per month per number, and usage discounts for multiple numbers from 3% for 2 to 7 units, 5% for 8 to 23 units, and 7% for 24 units or more.
- 3) Withdraw its Retail Corporate Plan which had provided for discounts to retail customers that subscribe to multiple cellular numbers under one account.
- 4) Reduce its off-peak usage rate for Retail VIP Service Plan subscribers from \$0.24 per minute to \$0.18 per minute.
- 5) Reduce its peak usage rate for Retail Personal Plan customers from \$0.75 per minute to \$0.74 per minute.
- 6) Reduce its off-peak usage rate for Retail Executive Plan customers from \$0.24 per minute to \$0.20 per minute.
- 7) Eliminate Retail Call Forwarding Custom Calling usage charges.
- 8) Reduce the Wholesale Monthly Access Charge from \$26.60 (less than 100 numbers total) and \$25.20 (over 100 numbers) to a flat \$24.50 per month per number.
- 9) Reduce the Wholesale peak minute usage rates from \$0.329 (less than 20,000 min) and \$0.325 (over 20,000 min) to a flat rate of \$0.305 per minute.
- 10) Reduce the Wholesale off-peak minute usage rates from \$0.197 (less than 2,000 min) and \$0.195 (over 2,000 min) to a flat rate of \$0.152 per minute.
- 11) Eliminate its Wholesale VIP Service Plan.

12) Reduce the peak usage rate for Wholesale Economy plan customers from \$0.60 per minute to \$0.59 per minute.

13) Eliminate its Wholesale Executive Plan.

14) Eliminate Wholesale Call Forwarding Custom Calling usage charges.

15) Revise its Rule No. 4 waiving service establishment and activation charges for cellular customers who utilized the company's cellular system previously and request to return to the company's service.

A protest was filed by Mission Bell on June 1, 1988, a reseller of cellular telecommunications service in Laguna Niguel. Mission Bell objected to PacTel's abolishing, on the Wholesale level, of:

1) Basic Business Plan

2) VIP Service Plan

3) Executive Plan

Mission Bell stated that PacTel proposed to continue offering these plans on a retail level, however, and that this placed Mission Bell and other cellular resellers at a distinct competitive disadvantage. Mission Bell requested that PacTel be required to reinstate its wholesale offerings.

Mission Bell furthermore protested PacTel's revision of its Rule No. 4, which Mission Bell believes permits PacTel to waive service establishment and activation charges for PacTel's retail customers but not its wholesale charges; Mission Bell also objects to the indefinite nature of PacTel's proposed waiver.

PacTel responded to Mission Bell's Protest on June 9, 1988, stating in part that it has not proposed to abolish its basic business plan at wholesale, but was in fact filing to restructure its wholesale rate structure with the net effect of reducing rates. PacTel proposes to reduce the minimum wholesale access charge from \$25.20 per month to \$24.50 per month.

PacTel filed a supplement to Advice Letter No. 26 on June 14, 1988, in which it deleted its withdrawal of the wholesale VIP Service Plan and the wholesale Executive Plan. PacTel also changed its proposed revision to its Rule No. 4 to extend service establishment and activation charge waivers to wholesale and retail customers for a definite period, until November 1, 1988.

FINDINGS

PacTel has supplemented its Advice Letter No. 26 to:

- 1) Reinstate its wholesale VIP Service Plan and wholesale Executive Plan.
- 2) Extend its waiver of service establishment and activation charges to wholesale and retail customers alike for 120 days.

It has also explained in response to Mission Bell's protest that it does not abolish its basic business plan at wholesale, but is in fact offering wholesale rate reductions for monthly access and usage; the proposed wholesale rate reduction amounts to an increase in resale margin of 23% for a number using 250 minutes per month.

We find that PacTel has responded to each of the objections raised by the protestant in its June 1, 1988 letter, rendering the protest moot, and good cause appearing,

IT IS ORDERED that:

- 1) Advice Letter No. 26 and 26A (supplement) of PacTel Cellular shall become effective on June 29, 1988.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 17, 1988. The following Commissioners approved it:

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



Executive Director