

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory & Compliance Division
Telecommunications BranchRESOLUTION T-14082
Date June 6, 1990R E S O L U T I O N

RESOLUTION T-14082. Cellular Dynamics of San Francisco, Inc. (U-4076-C). Approval of a minor rate increase to its Personal Communications Plan Usage Rates.

BY ADVICE LETTER No. 6, supplemented by No. 6A, FILED ON April 20, 1990, and May 10, 1990 respectively.

SUMMARY

This resolution authorizes Cellular Dynamics of San Francisco, Inc. (CD) to increase its Personal Communications Usage Rates by Advice Letter, pursuant to Commission General Order No. (G.O.) 96-A.

The Advice Letter was filed with the Telecommunications Branch of the Commission Advisory and Compliance Division on April 20, 1990, supplemented on May 10, 1990, and served on competing and adjacent utilities. Notice of the proposed increase was served on the utility's subscribers as required by G.O. 96-A, Section III.G.5. No protests were received.

BACKGROUND

Cellular Dynamics of San Francisco, Inc. is a cellular service reseller in the San Francisco and San Jose Central Geographical Service Areas (CGSAs). It proposes to increase its Personal Communications - Plan B usage rates from \$0.90 per minute to \$0.95 per minute (peak period), and from \$0.20 per minute to \$0.21 per minute (off-peak period). The estimated annual revenue effect of this rate increase is approximately \$5,000.00. In addition, CD also proposes to apply a monthly administrative surcharge of \$2.50 to all its customers.

PROTESTS

No protests were received.

DISCUSSION

The proposed rate increase is minor in nature. The Advice Letter (A.L.) requests the rates to be effective 30 days after its filing, or sooner if permitted by the adoption of the Administrative Law Judge's proposed decision on the Commission's I.88-11-040, investigation on the Commission's own motion into the regulation of cellular radiotelephone utilities, released for comment on March 12, 1990.

The A.L. could not be made effective 30 days after its filing because Commission General Order 96-A, Section VI: Procedure in Filing Increased Rates, states that any change in tariff that would result in an increase in rates requires Commission approval. In reference to the proposed decision on Commission's I.88-11-040, it has not been adopted at the writing of this Resolution. The goal of this investigation, as stated in the proposed decision is to enhance the cellular competition and encourage innovative and quality cellular services. It proposes to permit nondominant cellular firms greater flexibility in making service offers and revising tariffs on shorter notice without a requirement for justifying the changes. Had the proposed decision been effective at the previous Commission meeting, this advice letter would have been made effective five days after its filing.

In defense of its implementing an administrative surcharge, utility contends that the growth in its customer base has dramatically affected normal customer service operations and has caused bill processing to escalate. The surcharge is necessary to return customer service operations back to normal. The estimated annual revenue effect of the administrative surcharge is \$60,000.00. The utility informed its customers of these proposed rate increases in the May 13, 1990 and May 16, 1990 customers billings.

In a related matter, the Commission approved Nationwide Cellular Services, Inc.'s advice letter No. 6, supplemented by No. 6A, per Resolution T-14073, effective May 4, 1990, which authorized an itemized billing surcharge. In this resolution, the Commission found that "the imposition of a charge for itemized billing may stimulate competition and lead to pricing innovations and more affordable cellular service." Furthermore, the Commission believes that different billing schemes will only foster greater competition and will offer consumers different alternatives for cellular service.

FINDINGS

1. We find the rates and terms of the CD's Advice Letter No. 6 and its supplement, Advice Letter No. 6a to be reasonable.
2. No protests regarding this Advice Letter from competing and adjacent utilities have been received within the 15 day protest period in accordance with Section III.G.5 of Commission's General Order 96-A.

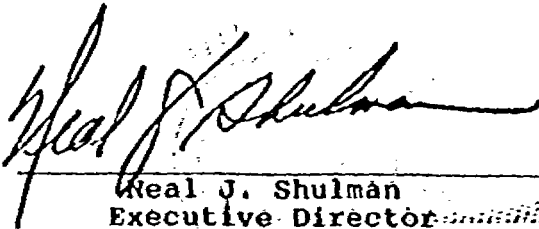
Resolution T-14082
June 6, 1990

THEREFORE, IT IS ORDERED that:

Cellular Dynamics of San Francisco, Inc.'s Advice Letters No. 6,
as supplemented by No. 6a is made effective today.

I hereby certify that this Resolution was adopted by the Public
Utilities Commission at its regular meeting on June 6, 1990.
The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners


Neal J. Shulman
Executive Director