

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14319
Telecommunications Branch February 21, 1991

R E S O L U T I O N

RESOLUTION T-14319. CITIZENS UTILITIES COMPANY OF CALIFORNIA REQUEST TO WAIVE FOR A 60-DAY PERIOD THE SERVICE CONNECTION CHARGES FOR REGRADES FROM MULTI-PARTY TO SINGLE-PARTY SERVICE.

BY ADVICE LETTER NO. 489, FILED ON NOVEMBER 13, 1990.

SUMMARY

This resolution authorizes Citizens Utilities Company of California's (Citizens) request to waive the service connection charges for regrades from existing multi-party to single-party service for a 60-day period. Since the request is to deviate from the current tariff, this resolution is required. No customer will pay for any change in service which he or she does not request.

BACKGROUND

The Commission issued Resolution T-14057 on February 23, 1990, authorizing Citizens to make the same offer as Advice Letter No. 489 requests. As a result of the former, approximately 51% of Citizens' multi-party customers converted to single-party service. Citizens' goal is to maximize the number of conversions to single-party service; therefore, it seeks to repeat the offering.

Citizens has upgraded its central office equipment and, by Advice Letter No. 469, eliminated suburban mileage charges, making it more affordable for customers to upgrade to single-party service. Citizens has 47 multi-party businesses and 1,084 multi-party residences grandfathered to single-party service at multi-party rates. These grandfathered customers now have single-party lines, but they do not have the option of purchasing additional calling features, as other single-party customers have. In order to do so, a service upgrade must be made. To encourage customers to upgrade, Citizens will waive the service connection charges. The customer would pay more per month, therefore, only if additional services (e.g., call waiting) are purchased.

PROTESTS

Citizens gave notice of this Advice Letter filing by sending copies to interested parties and other utilities. Notice of this Advice Letter was published in the Commission Calendar on November 15, 1990. The Commission Advisory and Compliance Division (CACD) has received no protests to Advice Letter No. 489.

DISCUSSION

Citizens has estimated that its additional costs of providing upgraded service to all currently grandfathered multi-party customers could total \$26,082, not including the \$22,620 cost if each upgrade requires a premise visit. The benefits of the upgrade are estimated to be a yearly revenue gain of \$20,273. This is a net loss as high as \$28,429 in the first year only, for which the utility is not seeking rate compensation.

After the central office equipment upgrade, grandfathered multi-party customers continued to receive not only the level of service provided previously, but also single-party service (at multi-party rates), except for the ability to purchase additional services only offered to single-party customers. Now, these grandfathered customers are being offered a complete upgrade to single-party service, including the option to purchase additional services, at a lower cost. That cost is lower because the upgrade fee will be waived for 60 days. If the grandfathered customer does nothing, he or she will continue to pay the multi-party rates he or she pays now.

FINDINGS

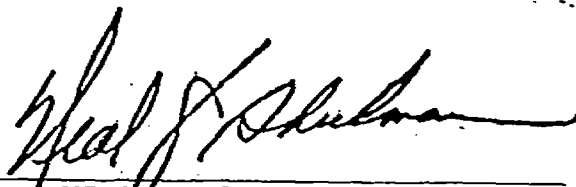
1. Citizens' proposed deviation from Schedule No. A-18 is just and reasonable and should be approved. It was previously authorized in Resolution T-14057. No customer will have to pay more unless additional services are purchased.
2. Citizens is not seeking rate relief to compensate for any realized revenue loss, but it expects additional revenue from the sale of additional services to the affected customers.

February 21, 1991

THEREFORE, IT IS ORDERED that:

1. Citizens Utilities Company of California is authorized to waive for a 60-day period service connection charges for regrades from multi-party to single-party service, as requested by Advice Letter No. 489.
2. All tariff sheets under Advice Letter No. 489 shall be marked to show that such sheets were authorized by this Resolution and its effective date.
3. Citizens shall notify all affected customers of the 60-day service regrade fee waiver within one week of the effective date of this order. This notice shall fully disclose the terms, limitations and conditions of their current service and the service regrade.
4. Citizens shall provide a copy of the customer notification to the Commission Advisory and Compliance Division Telecommunications Branch Chief at the same time it is sent to customers.
5. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 21, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

I abstain.
DANIEL WM. FESSLER
Commissioner

I abstain.
NORMAN D. SHUMWAY
Commissioner