

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division
Telecommunications BranchRESOLUTION T-14372
April 10, 1991R E S O L U T I O N

RESOLUTION T-14372. MOTOROLA CELLULAR SERVICES, INC.
RESOLUTION ESTABLISHING CELLULAR RADIOTELEPHONE SERVICE
DOWNWARD PRICING FLEXIBILITY PER TEMPORARY TARIFF
AUTHORITY PURSUANT TO ORDERING PARAGRAPH NO. 8 OF DECISION
90-06-025, AS MODIFIED BY DECISION 90-10-047.

BY ADVICE LETTER No. 55, FILED ON FEBRUARY 15, 1991.

SUMMARY

This Resolution authorizes Motorola Cellular Services, Inc. to exercise downward pricing flexibility to its resale cellular radiotelephone services per Decision (D.) 90-06-025, as modified by D.90-10-047. This authority allows Motorola Cellular Services, Inc. to make temporary tariff filings for reductions which will not impact an average customer's bill by more than ten percent (10%). No protests were received.

BACKGROUND

D.90-06-025, as modified by D.90-10-047, authorized cellular radiotelephone utilities (resellers and facility-based carriers) to make rate reduction tariff filings which will not affect an average customer's bill by more than ten percent (10%). Such offers can be classified as a temporary tariff and made effective on the date filed. According to Ordering Paragraph 8.b.(2) of the modified Decision:

"If a protest is filed, the tariff shall remain a temporary tariff until the protest has been resolved or by order of the Commission; if, within six months of the filing of the temporary tariff, no resolution of the protest takes place and the Commission does not act, the protest shall be deemed denied and the tariff shall be classified as a permanent tariff pursuant to the terms of the tariff provisions."

The Commission requires cellular utilities, prior to making use of such temporary tariff filings, to make annual filings to establish a range of downward pricing flexibility. The initial filing shall be effective only upon Commission resolution;

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subsequent filings to renew this authority shall be through 40-day effective date advice letters.

The Commission also requires that the advice letters requesting temporary tariff authority contain calculations sufficient to support the requested range of flexibility. Utilities can request less than the maximum ten percent of the average customer bill as the allowed range, but must file a further advice letter if they wish later to expand the range. In addition, D.90-06-025 does not permit temporary tariff filings to increase any rate element.

On February 15, 1991, Motorola Cellular Services, Inc. (MCSI), a cellular reseller, requested authority to file temporary tariffs authorized by D.90-06-025 by filing Advice Letter No. 55 for its services in the San Francisco/San Jose, Los Angeles, Sacramento, Stockton, San Diego, Santa Barbara, Fresno and Bakersfield Metropolitan Statistical Areas (MSA). MCSI submitted certain proprietary information to the Commission Advisory and Compliance Division (CACD), under seal of confidential treatment pursuant to General Order No. 66-C to support its requested range of pricing flexibility.

NOTICE/PROTESTS

A copy of this advice letter was served on MCSI's competing and adjacent utilities on the date of filing. No protests were received regarding this filing.

DISCUSSION

In Resolution T-14126, dated September 12, 1990, the first resolution granting temporary tariff filing authority, the Commission encouraged the sharing of supporting information submitted under seal of confidential treatment between parties through a mutually satisfactory nondisclosure agreement. To avoid any further conflict on this issue, we will as a standard procedure provide in our resolution a summary of the methodology of calculation, period used to estimate requested average customer bill, the components of the retail average customer bill, and the range of the average monthly bill.

In determining its average monthly retail subscriber bill, MCSI took the average monthly service revenues for the period of December 1989 through January 1990 for each MSA, and divided each MSA's average monthly revenue by that MSA's average monthly subscribers. The components of MCSI's service revenues include the activation charges, monthly access charges, usage charges, and roamer charges. MCSI's average monthly retail subscriber bill in each MSA was found to be in the range of \$60 to \$140.

CACD has reviewed the submitted information supporting the requested range of downward pricing flexibility and finds has determined it to be sufficient.

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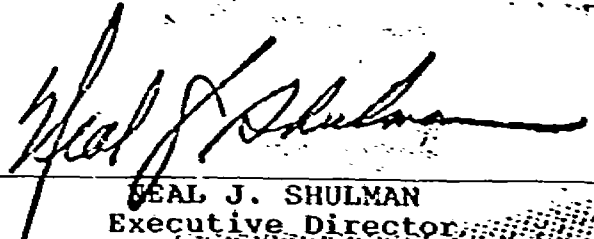
FINDING

MCSI has submitted sufficient information and calculations in its Advice Letter No. 55 and associated proprietary submittal to CACD to support its requested ranges of downward pricing flexibility as required by D.90-06-025, as modified by D.90-10-047.

THEREFORE, IT IS ORDERED that:

1. Motorola Cellular Services, Inc. is authorized to file, as temporary tariffs effective immediately, rate reductions which will not impact an average customer's monthly bill by more than ten percent (10%) at any one time.
2. Such temporary tariff filings shall become permanent pursuant to the conditions established in Ordering Paragraph No. 8 of Commission Decision 90-06-025, as modified by Decision 90-10-047.
3. This temporary tariff authority is valid for the period of one year from the effective date of this Resolution and may be renewed annually by 40-day effective date advice letters.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 10, 1991. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners