

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division RESOLUTION T-14418
Telecommunications Branch May 22, 1991

R E S O L U T I O N

RESOLUTION T-14418. FOR MCCAW-AFFILIATED CELLULAR TELECOMMUNICATIONS COMPANIES:

VENTURA CELLULAR TELEPHONE COMPANY (U-3010-C),
REDDING CELLULAR PARTNERSHIP (U-3020-C),
SALINAS CELLULAR TELEPHONE COMPANY (U-3018-C),
NAPA CELLULAR TELEPHONE COMPANY (U-3016-C),
STOCKTON CELLULAR TELEPHONE COMPANY (U-3012-C),
FRESNO CELLULAR TELEPHONE COMPANY (U-3014-C),
SACRAMENTO CELLULAR TELEPHONE COMPANY (U-3013-C),
SANTA BARBARA CELLULAR SYSTEMS LIMITED (U-3015-C),
FRESNO CELLULAR TELEPHONE COMPANY (U-4040-C),
CAGAL CELLULAR COMMUNICATIONS CORP. (U-3021-C),

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 NOS. 22, 13, 15, 26, 33, 22, 44, 25, 16, FILED ON FEBRUARY 6, 1991, SUPPLEMENTED BY 22-A, 13-A, 15-A, 26-A, 33-A, 22-A, 44-A, 25-A, 16-A; AND ADVICE LETTER NO. 16, FILED ON FEBRUARY 13, 1991, SUPPLEMENTED BY 16-A RESPECTIVELY.

SUMMARY

This Resolution authorizes the following McCaw Cellular Communications, Inc.-affiliated California cellular telecommunications companies to exercise downward pricing flexibility to their cellular radiotelephone service per Decision 90-06-025, as modified by Decision 90-10-047: Fresno Cellular Telephone Company (U-4040-C), Ventura Cellular Telephone Company (U-3010-C), Redding Cellular Partnership (U-3020-C), Salinas Cellular Telephone Company (U-3018-C), Napa Cellular Telephone Company (U-3016-C), Stockton Cellular Telephone Company (U-3012-C), Fresno Cellular Telephone Company (U-3014-C), Sacramento Cellular Telephone Company (U-3013-C), Santa Barbara Cellular Systems Limited (U-3015-C), filed on February 6, 1991; and Cagal Cellular Communications Corp. (U-3021-C); filed on February 13, 1991.

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This authority allows the aforementioned McCaw-affiliated cellular telephone companies to make temporary tariff filings for reductions of up to ten percent (10%) of their average customer bill. No protests were received.

BACKGROUND

Decision (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 its downward pricing flexibility. The initial filing shall be effective only upon Commission resolution; subsequent filings to renew this authority shall be 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 expected customer revenues as the allowed range, but must file a further advice letter if they wish later to expand the range.

On February 6 and February 13, 1991, McCaw-affiliated cellular telephone companies (Affiliates) in California filed advice letters requesting the maximum pricing flexibility authorized by D.90-06-025. The Affiliates 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 their requested range of pricing flexibility.

PROTESTS

The Affiliates served copies of the advice letters and their accompanying tariff sheets to all competing and adjacent utilities, and to all interested parties having requested such notification, as required by General Order 96-A, Section III. G. No protests were received at the end of the protest period.

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 the utility and interested parties through a mutually satisfactory nondisclosure agreement. The Commission also decided to include a summary description in any Resolution granting the utility temporary tariff authority, basic information supplied in the supporting calculation. We are providing as a standard procedure in any resolution granting temporary tariff authority, 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 their monthly retail subscriber bills, the Affiliates took the total retail service revenues per unit per month from January 1990 to June 1990 and divided it by 6. The service revenues consisted of The Affiliates' activation fees, usage charges, access charges, roaming charges and optional features charges. Each Affiliate's average monthly retail subscriber bill was found to be in the range of \$100 to \$200.

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

D.90-06-025 does not permit cellular facilities-based carriers to use temporary tariffs to make rate changes that reduce the current margin between wholesale and retail rates until revisions to the cellular Uniform System of Accounts (USOA) which would establish cost-allocation methods for any carrier's wholesale and retail operations are authorized. Furthermore, temporary tariff filings as authorized by D.90-06-025 shall not be used to increase any rate element. We will reiterate these constraints to the Affiliates in our approval of their request for temporary tariff authority.

FINDINGS

1. The Affiliates have submitted sufficient information and calculations with their corresponding Advice Letters, their supplements and associated proprietary submittal to CACD to support the requested ranges of downward pricing flexibility.
2. Temporary tariff filings may not be used to increase any rate element.
3. Temporary tariff filings shall not be used to make rate changes that reduce the current margins between wholesale and retail rates until a revised USOA has been ordered by the Commission.

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THEREFORE, IT IS ORDERED that:

1. The following McCaw-affiliated cellular telephone companies are authorized to file, as temporary tariffs effective immediately, rate reductions which will not impact an average customer's bill by more than 10% at any one time:

Fresno Cellular Telephone Company (U-4040-C)
Ventura Cellular Telephone Company (U-3010-C)
Redding Cellular Partnership (U-3020-C)
Salinas Cellular Telephone Company (U-3018-C)
Napa Cellular Telephone Company (U-3016-C)
Stockton Cellular Telephone Company (U-3012-C)
Fresno Cellular Telephone Company (U-3014-C)
Sacramento Cellular Telephone Company (U-3013-C)
Santa Barbara Cellular Systems Limited (U-3015-C)
Cagal Cellular Communications Corp. (U-3021-C)

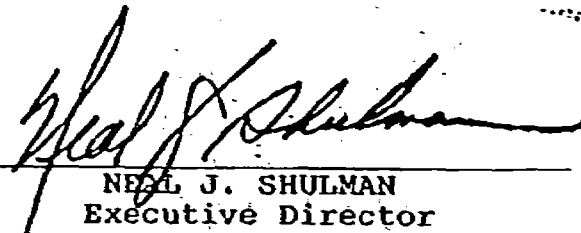
2. Such temporary tariff filings shall become permanent pursuant to the conditions established in Ordering Paragraph No. 8 of Commission Decision 90-06-025, as modified by Decision 90-10-047.

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.

4. The aforementioned McCaw-affiliated cellular telephone companies shall not use temporary tariffs to make rate changes, that reduce the current margins between wholesale and retail rates until a revised USOA is put in place by further Commission decision.

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 May 22, 1991. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.