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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division  
Telecommunications Branch

RESOLUTION T-14493  
June 19, 1991

R E S O L U T I O N

RESOLUTION T-14493. CELLULAR DYNAMICS TELEPHONE COMPANY OF LOS ANGELES, 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. 11, FILED ON APRIL 25, 1991.

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SUMMARY

This Resolution authorizes Cellular Dynamics Telephone Company of Los Angeles, 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 Cellular Dynamics Telephone Company of Los Angeles, 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; 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 April 25, 1991, Cellular Dynamics Telephone Company of Los Angeles, Inc. (Cellular Dynamics), a cellular reseller in the Los Angeles Metropolitan Statistical Areas (MSA), requested authority to file temporary tariffs authorized by D.90-06-025 by filing Advice Letter No. 11. Cellular Dynamics 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 downward pricing flexibility.

#### NOTICE/PROTESTS

A copy of this advice letter was served on Cellular Dynamics'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 the utility and interested parties through a mutually satisfactory nondisclosure agreement. The Commission also decided to include in any resolution granting a utility temporary tariff authority, basic information supplied in the supporting calculation. We are providing as a standard procedure, 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, Cellular Dynamics took the monthly service revenues for the period of January 1990 through December 1990 and divided each month's revenue by the number of subscribers for that month. These numbers were then summed and divided by 12. The components of Cellular Dynamics's service revenues include the activation charges, monthly access charges, usage charges, and roamer charges. Cellular Dynamics's average monthly retail subscriber bill was found to be in the range of \$100 to \$150.

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

FINDING

Cellular Dynamics has submitted sufficient information and calculations in its Advice Letter No. 11 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. Cellular Dynamics Telephone Company of Los Angeles, 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.

This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 19, 1991. The following Commissioners approved it:

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

  
NEAL J. SHULMAN  
Executive Director