

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Telecommunications BranchRESOLUTION NO. T-14554
August 7, 1991R E S O L U T I O N

RESOLUTION T-14554. DIGITAL MOBILE COMMUNICATIONS, INC.-CALIFORNIA AND DIGITAL MOBILE COMMUNICATIONS, INC.-SACRAMENTO. ORDER AUTHORIZING AN INCREASE IN THE INWATS 800 ACCESS USAGE CHARGE.

BY ADVICE LETTER NO. 51 AND ADVICE LETTER NO. 34, FILED SIMULTANEOUSLY ON MARCH 26, 1991.

SUMMARY

Digital Mobile Communications, Inc.-California (DMC-CA), by Advice Letter No. 51 filed March 26, 1991 and Digital Mobile Communications, Inc.-Sacramento (DMC-SACTO), by Advice Letter No. 34 filed March 26, 1991, respectively, request authority to increase the INWATS 800 Access (INWATS) usage charge from \$0.10 to \$0.15 per message. The utilities have determined that the current established rate of \$0.10 per call is non-compensatory. Copies of the advice letters have been served to interested parties and competing utilities pursuant to General Order (G.O.) 96-A, Section III.G.

This resolution authorizes the increase per message charge for INWATS, which will result in an estimated annual revenue increase of \$900 for DMC-CA and \$540 for DMC-SACTO.

DMC-CA and DMC-SACTO whose tariffed INWATS offerings became effective March 13, 1991 and November 21, 1990 respectively, have no existing subscribers nor requests for such 800 access optional feature. No protests to the advice letters were filed.

BACKGROUND

DMC-CA is a radiotelephone utility providing one-way paging and signalling service throughout California. DMC-SACTO, likewise a radiotelephone utility providing one-way paging, serves the Sacramento Valley and the Northern San Joaquin Valley areas. In reviewing the projected costs associated with INWATS, DMC-CA has determined that the previously established rate of \$0.10 per call is non-compensatory. By Advice Letter No. 51 and Advice Letter No. 34, filed March 26, 1991, respectively, DMC-CA and DMC-SACTO

August 7, 1991

request authority to increase the charge for INWATS from \$0.10 to \$0.15 per message. The estimated annual revenue effect of this increase is \$900 for DMC-CA and \$540 for DMC-SACTO.

The INWATS access option allows DMC-CA and DMC-SACTO's subscribers to receive calls originating outside their local service area without the caller paying for the toll charge. The subscriber will be billed at the proposed charge of \$0.15 per message.

Based on a projected usage of 800 calls per month (500 for DMC-CA and 300 for DMC-SACTO), DMC-CA's costing analysis is as follows:

| | Per Call |
|------------------------------------|----------------|
| MCI's flat INWATS line charge | \$0.025 |
| MCI's usage charge | 0.050 |
| MCI's special access surcharge ... | 0.030 |
| Taxes | 0.010 |
| Pacific Bell local line charge ... | 0.034 |
| Total Cost | <u>\$0.149</u> |

Therefore, the companies will be losing money by offering the service for \$0.10 per message.

NOTICE/PROTESTS

Public notice that DMC-CA filed Advice Letter No. 51 and DMC-SACTO filed Advice Letter No. 34, simultaneously requesting authority to increase the usage charge for INWATS, appeared in the California Public Utilities Commission's March 28, 1991 Daily Calendar. In addition, copies of DMC-CA's Advice Letter No. 51 and DMC-SACTO's Advice Letter No. 34 were mailed to competing utilities, adjacent utilities, and known interested parties in accordance with the Commission's General Order (G.O.) No. 96-A, Section III.G.

There are no existing customers subscribing to the INWATS feature nor requests for such option.

No protests have been received by the Commission Advisory and Compliance Division (CACD).

DISCUSSION

INWATS is a miscellaneous option offered by both DMC-CA and DMC-SACTO to subscribers. Neither DMC-CA nor DMC-SACTO has yet implemented the INWATS offering, so there are no customers. DMC-CA and DMC-SACTO base their cost estimates and revenue increase projections on the customer and call volumes they anticipate when the service is activated. The proposed increase is cost justified. It will address the utilities' concern of operating

August 7, 1991

on a break-even or better basis and provide reasonably priced service offerings and optional features.

With the foregoing, it is established that the proposed increase meets the requirements set forth in G.O. 96-A, and should therefore be approved.

FINDINGS

1. Both DMC-CA and DMC-SACTO have certified that there are no existing customers subscribing nor requesting for the INWATS feature.
2. The tariffed \$0.10 per message charge of DMC-CA and DMC-SACTO for INWATS feature is non-compensatory.
3. DMC-CA and DMC-SACTO's proposed increase from \$0.10 to \$0.15 per message employing INWATS access is justified and the resulting rates are reasonable.
4. Authorization of DMC-CA's Advice Letter No. 51 and DMC-SACTO's Advice Letter No. 34 will result in an estimated increase in annual revenue of \$900 and \$540 respectively.

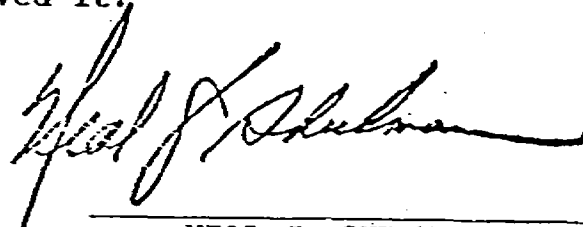
THEREFORE, IT IS ORDERED that:

1. Authority is granted to make Digital Mobile Communications, Inc. - California's Advice Letter No. 51 and Digital Mobile Communications, Inc.-Sacramento's Advice Letter No. 34 effective on August 7, 1991.
2. Both Advice Letters and tariff sheets referred to herein shall be marked to show that they were authorized under Resolution of the Public Utilities Commission of the State of California No. T-14554.

The effective date of this Resolution is today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 7, 1991. The following Commissioners approved it:

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



NEAL J. SHULMAN
Executive Director

Commissioner Daniel Wm. Fessler, being necessarily absent, did not participate.