

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Telecommunications BranchRESOLUTION NO. T-14595
September 6, 1991R E S O L U T I O N

RESOLUTION T-14595. MOUNTAIN CELLULAR. RESOLUTION ESTABLISHING TEMPORARY TARIFF AUTHORITY FOR CELLULAR RADIOTELEPHONE SERVICE DOWNWARD PRICING FLEXIBILITY PURSUANT TO ORDERING PARAGRAPH NO. 8 OF DECISION 90-06-025, AS MODIFIED BY DECISION 90-10-047.

BY ADVICE LETTER NO. 14, FILED ON JULY 15, 1991.

SUMMARY

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

Copies of the advice letter have been served to all respondents of I.88-11-040, to interested parties, and competing utilities pursuant to D.90-06-025 and General Order (G.O.) 96-A, Section III.G.

BACKGROUND

D.90-06-025, as modified by D.90-10-047, authorized cellular radiotelephone utilities (resellers and facilities-based carriers) to make rate reduction tariff filings which will not affect an average customer's bill by more than ten percent (10%). Such filing 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 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 a cellular utility, prior to making use of such temporary tariff filing, to make an annual filing 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 a 40-day effective date advice letter.

The Commission also requires that the advice letter requesting temporary tariff authority contain calculations sufficient to support the requested range of flexibility. A utility 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 the range is to be expanded. In addition, D.90-06-025 does not permit temporary tariff filings to increase any rate element.

On July 15, 1991, Mountain Cellular, a facilities-based carrier in the El Dorado Rural Service Area (RSA) filed Advice Letter No. 14 requesting authority to file temporary tariffs for its services pursuant to D.90-06-025. Mountain Cellular submitted certain proprietary information to the Commission Advisory and Compliance Division (CACD), under seal of confidential treatment pursuant to General Order (G.O.) 66-C to support its requested range of pricing flexibility.

NOTICE/PROTESTS

Public notice that Mountain Cellular filed Advice Letter No. 14 requesting authority to file temporary tariffs for its services appeared in the California Public Utilities Commission's July 16, 1991 Daily Calendar. In addition, copies of Mountain Cellular's Advice Letter No. 14 were mailed to competing utilities, adjacent utilities, and known interested parties in accordance with the D.90-06-025 and G.O. 96-A, Section III.G.

No protests have been received by CACD.

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, the period used to estimate the average customer bill, the composition of the retail customer bill (i.e. air time charges, monthly access fee, optional features), and the range of the average monthly bill.

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In determining the average monthly retail customer bill, Mountain Cellular used the total service revenues for the period September 1990 through June 1991, and divided that amount by the average number of subscribers for that period. These numbers were then summed up and divided by ten months. The components of Mountain Cellular's service revenues include the monthly access charge, usage charge, and toll. Mountain Cellular's average monthly retail subscriber bill has been established to be within the range of \$70 to \$100.

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

With the foregoing, it is established that Advice Letter No. 14 meets the requirements set forth in D.90-06-025 and D. 90-10-047, and should therefore be approved.

FINDINGS

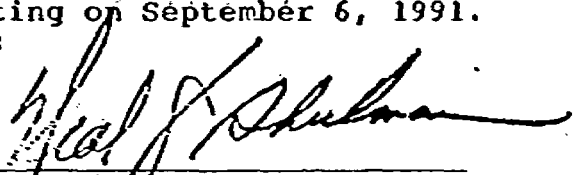
Mountain Cellular has submitted sufficient information and calculations in its Advice Letter No. 14 and associated proprietary submittal to CACD to support its requested range of downward pricing flexibility as required by D.90-06-025, as modified by D.90-10-047.

THEREFORE, IT IS ORDERED that:

1. Mountain Cellular is authorized to file, as temporary tariffs effective on the date of filing, a rate reduction 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 a period of one year from the effective date of this Resolution and may be renewed annually through a 40-day effective date advice letter.

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 September 6, 1991. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

PATRICIA M. ECKERT
President

JOHN B. CHANIAN
DANIEL W. FESSLER
NORMAN D. SHUMWAY
Commissioners

I abstain.

G. MITCHELL WILK
Commissioner