

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division
Telecommunications BranchRESOLUTION T-14741
December 18, 1991R E S O L U T I O N

RESOLUTION T-14741. CITY CELLULAR CORPORATION. REQUEST TO ESTABLISH DOWNWARD PRICING FLEXIBILITY PER TEMPORARY TARIFF AUTHORITY GRANTED BY ORDERING PARAGRAPH NO. 8 OF DECISION 90-06-025, AS MODIFIED BY DECISION 90-10-047.

BY ADVICE LETTER NO. 9, FILED ON NOVEMBER 1, 1991.

SUMMARY

This Resolution authorizes City Cellular Corporation to exercise downward pricing flexibility for its cellular radiotelephone service pursuant to Decision 90-06-025, as modified by Decision 90-10-047. This authority allows City Cellular Corporation to make temporary tariff filings for reductions of up to ten percent (10%) of its 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 temporary tariffs and made effective on the date filed. According to Ordering Paragraph 8.b.(2) of D.90-10-047:

"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."

Cellular utilities that wish to use temporary tariffs are required to make annual filings to establish a range of downward pricing flexibility. The initial filing shall be effective only upon approval by 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 average customer bill as the allowed range, but must file a further advice letter if they wish later to expand the range. Furthermore, D.90-06-025 does not permit temporary tariff filings to increase any rate element.

On November 1, 1991, City Cellular Corporation (City Cellular), a cellular reseller in the Los Angeles Metropolitan Statistical Area, requested authority to file temporary tariffs pursuant to D.90-06-025 by filing Advice Letter No. 9. City Cellular 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

Public notice of City Cellular's Advice Letter No. 9 was made by publication in the Commission's Daily Calendar of November 7, 1991 and by the utility's mailing copies of Advice Letter No. 9 to other utilities and to all interested parties who requested notification, pursuant to General Order No. 96-A, Section III, Paragraph 6. No protests were received.

DISCUSSION

In the first resolution granting temporary tariff filing authority (Resolution T-14126, dated September 12, 1990), 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. To avoid any conflict in this issue, we will as a standard procedure provide in our resolution a summary of the methodology of calculation, the period used to estimate the 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, City Cellular took the different service revenues for the month of September, 1991 and divided the month's total revenue by the number of subscribers for the month. The components of City Cellular's service revenue include the airtime charges, access charges, and optional feature charges. City Cellular's average monthly retail subscriber bill was found to be in the range of \$80 to \$120.

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

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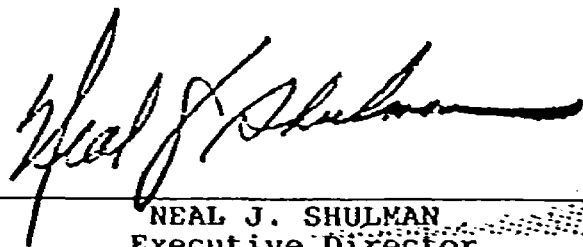
FINDINGS

City Cellular has submitted sufficient information and calculations in its Advice Letter No. 9 and the 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. City Cellular Corporation is authorized to file, as temporary tariffs effective on the date of filing, 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 a period of one year from the effective date of this Resolution and may be renewed annually by 40-day effective date advice letters.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 18, 1991. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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