

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION  
Telecommunications BranchRESOLUTION T-14758  
December 18, 1991R E S O L U T I O N

RESOLUTION T-14758. ALL LOCAL EXCHANGE TELEPHONE COMPANIES. ORDER REVISING 1992 INTRASTATE HIGH COST FUND REVENUE REQUIREMENT, THE HIGH COST FUND ELEMENT OF THE CARRIER COMMON LINE CHARGE, AND LOCAL EXCHANGE COMPANIES' BASIC EXCHANGE RATES AND/OR INTRALATA BILLING SURCHARGE/-SURCREDIT.

BY ADVICE LETTER NO.	FILED BY	DATE FILED	
284-T	ALLTEL-CP NATIONAL CORPORATION	OCTOBER	1, 1991
284-T/1	ALLTEL-CP NATIONAL CORPORATION	OCTOBER	9, 1991
173-T	ALLTEL-TUOLUMNE TELEPHONE COMPANY	OCTOBER	1, 1991
173-T/1	ALLTEL-TUOLUMNE TELEPHONE COMPANY	OCTOBER	9, 1991
142	CALAVERAS TELEPHONE COMPANY	OCTOBER	1, 1991
155	CALIFORNIA-OREGON TELEPHONE CO.	OCTOBER	1, 1991
155A	CALIFORNIA-OREGON TELEPHONE CO.	DECEMBER	3, 1991
505	CITIZENS UTILITIES COMPANY OF CALIFORNIA	OCTOBER	1, 1991
925	CONTINENTAL TELEPHONE COMPANY OF CALIFORNIA	OCTOBER	1, 1991
925A	CONTINENTAL TELEPHONE COMPANY OF CALIFORNIA	NOVEMBER	5, 1991
165	DUCOR TELEPHONE COMPANY	OCTOBER	1, 1991
209	EVANS TELEPHONE COMPANY	OCTOBER	1, 1991
148	FORESTHILL TELEPHONE CO.	OCTOBER	1, 1991
148A	FORESTHILL TELEPHONE CO.	DECEMBER	18, 1991
5359	GTE CALIFORNIA INCORPORATED	NOVEMBER	21, 1991
360	GTE WEST COAST INCORPORATED	OCTOBER	2, 1991
360A	GTE WEST COAST INCORPORATED	DECEMBER	16, 1991
364	GTE WEST COAST INCORPORATED	NOVEMBER	25, 1991
124	HAPPY VALLEY TELEPHONE COMPANY	OCTOBER	1, 1991
114	HORNITOS TELEPHONE COMPANY	OCTOBER	1, 1991
114A	HORNITOS TELEPHONE COMPANY	NOVEMBER	7, 1991
194	KERMAN TELEPHONE COMPANY	OCTOBER	2, 1991
16115	PACIFIC BELL	NOVEMBER	22, 1991
86	PINNACLES TELEPHONE COMPANY	OCTOBER	1, 1991
180	THE PONDEROSA TELEPHONE CO.	SEPTEMBER	30, 1991
305	ROSEVILLE TELEPHONE COMPANY	SEPTEMBER	30, 1991
159	SIERRA TELEPHONE CO., INC.	OCTOBER	2, 1991
159A	SIERRA TELEPHONE CO., INC.	OCTOBER	28, 1991
191	THE SISKIYOU TELEPHONE COMPANY	SEPTEMBER	30, 1991
178	THE VOLCANO TELEPHONE COMPANY	OCTOBER	1, 1991
178A	THE VOLCANO TELEPHONE COMPANY	NOVEMBER	7, 1991
28	WINTERHAVEN TELEPHONE COMPANY	OCTOBER	1, 1991

SUMMARY

This Resolution authorizes Pacific Bell (Pacific), GTE California Incorporated (GTEC), and GTE West Coast Incorporated (West Coast) to decrease the California High Cost Fund (HCF) element of the Carrier Common Line Charge (CCLC) by \$0.0004 per minute of use. The HCF revenue requirement for 1992 developed in accordance with Decision (D.) 88-07-022, Appendix B, Sections B and D is \$96,762. The HCF increment on the CCLC is \$0.0001 per minute of use effective January 1, 1992. This rate is to be decreased to \$0.0000 effective April 1, 1992.

In addition, this Resolution authorizes Winterhaven Telephone Company (Winterhaven) to receive HCF support.

BACKGROUND

By D.88-07-022 dated July 8, 1988, the Commission adopted the intrastate HCF mechanism, stating in Ordering Paragraph 64:

The proposed modifications to the intrastate HCF mechanism adopted in D.85-06-115, as described in the foregoing opinion, are hereby adopted and shall be implemented in the manner described in Appendix B of this decision.

Page 2 of Appendix B of D.88-07-022 requires each local exchange company to file an advice letter incorporating the net settlements effect upon its company of regulatory changes ordered by the Commission and the Federal Communications Commission (FCC). Page 2 of Appendix B states:

These advice letter filings will include previously authorized annual filings for interLATA SPF-to-SLU shifts set forth in D.85-06-115 as well as all other regulatory changes of industry-wide effect such as changes in levels of interstate high cost funding, interstate NTS assignment, other FCC-ordered changes in separations and accounting methodology and Commission-ordered changes such as rate changes affecting access charges, intraLATA toll or EAS settlements revenues, interLATA separations shifts and the effects of other Commissions' decisions which increase or decrease settlements revenues or cost assignments.

The advice letter and supporting workpapers shall also set forth proposed revisions to the company's local exchange rate design to compensate for the net positive or negative settlements effect while maintaining the overall rate design within the 150% guidelines as most recently defined by Commission decision and further calculating any resultant increases or decreases in the company's HCF funding requirements.

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In addition, the following sentence was added to the end of Section B of Appendix B by D.88-12-044 dated December 9, 1988 which addressed the Petition for Modification filed on November 1, 1988 by twelve small independent local exchange companies (LEC)<sup>1</sup>:

For good cause, a company may propose in its advice filing that in lieu of increases or decreases to its recurring intraLATA exchange rates it instead be authorized to utilize a surcharge or surcredit to reflect the net revenue change. In addition, a company may choose to limit any surcredit to 50% of its total intraLATA billing base even where that is insufficient to deplete an existing memorandum account.

Section D of Appendix B states:

HCF funding shall continue at 100% of the Commission authorized funding requirement for the years 1988 and 1989. The HCF support level for those local exchange companies which have not initiated a general rate proceeding, either under General Order 96-A or by a general rate case application, by December 31, 1990, shall be reduced during the year 1991, so that such a company shall receive only 80% of the amount of funds that would otherwise be paid to it from the HCF during 1991. The HCF funding level for those companies not initiating rate proceedings by December 31, 1991, shall be further reduced to 50% of the funding requirement during the year 1992.

D.90-08-066 invited petitions for modification of D.88-07-022 to suspend the waterfall provisions of the HCF. The Commission denied these petitions. Therefore, this Resolution authorizes 50% recovery of the 1992 revenue requirement for Winterhaven from the HCF.

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<sup>1</sup> The companies are CP National, Evans Telephone Company, GTE West Coast Incorporated, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Co., Pinnacles Telephone Company, Sierra Telephone Company, The Siskiyou Telephone Company, Tuolumne Telephone Company, The Volcano Telephone Company, and Winterhaven Telephone Company.

Appendix A of D.91-09-042 sets forth the HCF recovery guidelines:

Utilities shall be eligible for support from the fund limited to the amount which are forecasted to result in earnings not to exceed authorized intrastate rates of return or to the current funding level amount for the year for which HCF is being requested, whichever amount is lower. The forecasted intrastate rate of return shall be developed using annualized earnings based on at least seven months of recorded financial data for the year in which the advice letter is filed. Funding levels from past years shall be subject to this limitation in each succeeding year. For purposes of determining amounts for which a utility may be eligible, utilities which do not have an authorized intrastate rate of return shall apply the highest intrastate rate of return authorized by the Commission for a local exchange company.

To recover a net positive revenue requirement an LEC must file a "means test" with its advice letter. This is the first year that the means test is required. The provisions of the means test delineated in D.91-05-016 and as modified by D.91-09-042 are as follows:

For those companies requesting HCF support, the filing shall include, unless otherwise exempted herein, at least seven months of recorded data annualized for the year in which the advice letter is filed and adjusted for known Commission regulatory decisions regarding the utility's rate of return.

D.90-06-069 authorized respondent telephone companies to adjust their revenue requirements by the net amounts of Inside Wire Maintenance (IWM) revenues, including interest. Ordering Paragraph 3 states:

Those adjustments shall be made in each utility's next attrition filing or, for those companies which do not make such filings, within 60 days of the effective date of this order. Alternatively, they shall apply IWM revenues as an offset against the revenue requirements which would otherwise result in their next annual California High Cost Fund filings. Their filings shall provide supporting documentation for account balances.

On various dates in September, October, November and December, 1991, twenty LECs filed their advice letters and supplements as required by Appendix B of D.88-07-022, setting forth their 1992 net settlement effects and requests for 1992 HCF support and/or revisions to their basic exchange rates and intraLATA billing surcharge/surcredits. Of the twenty LECs, only Winterhaven requested intrastate HCF support to recover its 1992 net settlements effect totaling \$154,819 based on 80% of the funding level. Because the waterfall provisions delineated in Section D of D.88-07-022 are now in effect, 1992 recipients of the HCF are entitled to 80% recovery from the HCF only if they have initiated a general rate proceeding by December 31, 1991. Winterhaven has not initiated a general rate proceeding to date. Therefore, it is limited to 50% of its net revenue requirement, or \$96,752. A summary of each LEC advice letter filing and request is shown in Appendix A to this Resolution.

In compliance with D.88-07-022, Ordering Paragraph 64, Pacific, GTEC, and West Coast filed advice letters requesting authority to set the HCF increment in the CCLC at \$0.0001 to fund the intrastate HCF for recovery of the requested 1992 net settlements effect. D.91-05-016 mandates that any residual amount (positive or negative) be netted with the succeeding year's HCF prospective funding requirement. Because the current estimated HCF surplus is less than Winterhaven's 1992 HCF draw, the HCF increment on the CCLC is reduced to \$0.0001 per minute of use.

On October 22, 1991, AT&T filed a consolidated protest on the advice letter filings of the LECs other than Roseville Telephone Company (Roseville) and Winterhaven regarding the inclusion of settlements effects of Pacific's Advice Letter (AL) 15978; Roseville, Sierra Telephone Co., Inc. (Sierra) and Winterhaven for their reflection of inside wire maintenance revenues; and Winterhaven in that it did not justify its request for HCF support. On October 25, 1991, AT&T withdrew its protest relating to inside wire revenues. Nine smaller LECs filed their consolidated response to AT&T's protest on October 28, 1992.

#### PROTEST & RESPONSE

AT&T protested the HCF Advice Letter filings of the LECs on the basis of: (1) the LECs other than Roseville and Winterhaven have improperly included \$945,887 in settlements effects of Pacific's AL 15978, due to a voluntary (for competitive reasons) toll rate reduction. This reduced toll settlement revenues to the LECs by \$945,887 and they are seeking to recover it now from the HCF. AT&T states that the Commission must order a toll rate reduction if the LECs are to recover from the HCF; (2) Roseville, Sierra, and Winterhaven incorrectly reflected the reversal of the historic revenues refund and the effect of the continuing revenue reduction attributable to ongoing inside wire operations; and (3) Winterhaven did not properly justify its request for HCF support.

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On October 25, 1991, AT&T withdrew its protest relating to inside wire revenues after discussions with representatives of Roseville, Sierra and Winterhaven.

Nine smaller LECs<sup>2</sup> filed a response to AT&T's protest on October 28, 1991. With regard to the AL 15978 issue, the response states that "Pacific Bell's advice letter went into effect upon regular statutory notice pursuant to General Order 96-A. There is no requirement that the Commission issue an additional order to put tariffs into effect. The fact that the tariff went into effect pursuant to General Order 96-A is tantamount to a Commission order that the tariff become effective."

With regard to the issue of Winterhaven's justification, the response states that Winterhaven's calculation of regulatory impacts subject to the HCF mechanism comports with D.91-09-074 and that it demonstrated its need for the HCF draw it requested in its advice letter through submission of a means test in accordance with the rules established in D.91-05-016 and D.91-09-042.

We agree with the nine smaller LECs that Pacific's AL 15978 tariff sheets went into effect pursuant to General Order 96-A and as such are now as fully effective as they would be had there been a Commission order accepting them. We also agree that Winterhaven satisfied its HCF draw request through the submission of its means test. Winterhaven submitted ten months of annualized financial data including known Commission-ordered changes. Therefore, AT&T's protest is denied.

#### DISCUSSION

The intrastate HCF, as adopted and set forth in Appendix B of D.88-07-022, provides financial support to LECs whose Basic Exchange Access Line Service (BEALS) rates would necessarily be increased to recover lost settlement revenues at a level threatening universal service. Appendix B of D.88-07-022 authorizes each LEC to make an annual advice letter filing by October 1 of each year which both proposes a rate design and requests HCF support to reflect the net increase or decrease in settlement revenues upon its company irrespective of its current earnings.

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2 The companies are Calaveras Telephone Company, California-Oregon Telephone Company, Ducor Telephone Company, Foresthill Telephone Co., Happy Valley Telephone Company, Hornitos Telephone Company, The Ponderosa Telephone Company, The Volcano Telephone Company, and Winterhaven Telephone Company.

Authorizations granted in this Resolution are made irrespective of each LEC's current earnings, which have not been reviewed or adopted as reasonable since that issue is normally undertaken in a general rate proceeding.

Twenty LECs filed advice letters as required by the guidelines and procedures for the intrastate HCF set forth in Appendix B of D.88-07-022. These advice letters are summarized in Appendix A of this Resolution. As Appendix A demonstrates, one LEC requested intrastate HCF support; eight LECs have requested an intralATA billing surcredit; eight LECs have requested no intrastate HCF recovery; one LEC requested to eliminate its current surcredit and increase its BEALS rates; one LEC requested the amount be placed in an established balancing account; one LEC requested to eliminate its current intralATA billing surcredit and implement an intralATA billing surcharge. Each of these is discussed below.

#### REQUEST FOR HCF SUPPORT

The LEC requesting intrastate HCF support to recover its 1991 net settlements effect<sup>3</sup> is:

	<u>As Filed</u> <u>(80%)</u>	<u>As Authorized</u> <u>(50%)</u>
Winterhaven Telephone Co.	\$154,819	\$96,762

To be eligible for intrastate HCF support a LEC is required by D.88-07-022 to propose a rate design that will increase its BEALS rates by a uniform percentage up to 100%, rounding to the nearest \$0.05, while maintaining the 150% threshold level of comparable urban rates. The urban rates standard is generally Pacific's 1FR flat rate, presently \$8.35 per month. Winterhaven is in compliance with this provision of D.88-07-022 since last year it increased its residential flat rate to the 150% threshold level of \$12.55.

#### REQUEST FOR NO HCF SUPPORT

Eight LECs did not request HCF support. Citizens Utilities Company of California (Citizens), Continental Telephone Company of California (Contel), and Roseville requested that Pacific not include their respective decrease in revenues in "the total statewide HCF funding requirement" which Pacific is directed to determine pursuant to Section C of the Appendix to D.91-09-042. However, they requested in their advice letters that the

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<sup>3</sup> As shown in Appendix A, a positive net settlement effect denotes a need for intrastate HCF support and/or to increase rates. A negative net settlement effect denotes a need to decrease rates.

Commission review their calculations which supported a positive net settlement effect and that the adopted Commission resolution confirm their respective amounts. ALLTEL-CP National Corporation (CP National), The Ponderosa Telephone Co. (Ponderosa), Sierra, ALLTEL-Tuolumne Telephone Company (Tuolumne), and The Volcano Telephone Company (Volcano) are not requesting HCF support at this time. If any of the companies decide to draw HCF funding, they must submit a means test with their filings. Although these eight LECs have not requested HCF support, they must be treated as recipients.

Therefore, we will apply the 50% waterfall provision to their revenue requirement calculations. After this adjustment is applied, the net settlements effects are as follows:

	<u>As Filed (100%)</u>	<u>As Authorized (50%)</u>
Citizens	\$ 7,006,333	\$ 3,503,167
Contel	22,222,399	11,111,200
CP National	234,321	117,161
Ponderosa	369,975	184,988
Roseville	6,043,344	3,021,672
Sierra	625,704	312,852
Tuolumne	578,949	289,475
Volcano	228,042	114,021

**BILLING SURCREDIT REQUEST**

Eight LECs listed in Appendix A of this Resolution have requested to flow through the negative net settlements effect as a bill and keep intraLATA billing surcredit. In support of their request, the LECs state that the proposed surcredit offers a less disruptive method to implement the revenue requirement reduction and is preferable to making changes to recurring rates pending the Incremental Rate Design proceeding.

One of these eight LECs, Pinnacles Telephone Company (Pinnacles), requested to increase its current bill and keep intraLATA billing surcredit to 50% and establish a memorandum account for the difference in its 1992 net settlement impacts less the 50% surcredit. The establishment of a memorandum account for the difference in Pinnacles' 1992 net settlement impacts less the 50% surcredit is reasonable and should be adopted.

The request to reflect negative net settlements effects by a bill and keep intraLATA billing surcredit is reasonable for all eight LECs and is in compliance with D.88-07-022.

**REQUEST TO INCREASE BEALS RATES**

As directed by D.88-07-022, a LEC is required to increase its 1FR flat rate up to the 150% threshold before the LEC is eligible to



receive intrastate HCF support. Therefore, California-Oregon Telephone Company (Cal-Oregon) by AL 155 and supplement, proposes to increase its Newell/Tulelake BEALS rates by 10.00% which increases the monthly LFR flat rate from \$5.50 to \$6.05. The other BEALS rates are at or above the 150% threshold level of comparable California urban rates. The positive net settlements effect to be recovered from the proposed increase is \$10,945. This slightly exceeds the total of its requested revenue requirement of \$10,884 due to rounding the rates to the nearest \$0.05. Cal-Oregon's request is reasonable and will be granted.

#### REQUEST TO RECORD 1992 REVENUE IMPACT IN BALANCING ACCOUNT

Evans Telephone Company (Evans) requests authority to place the positive net settlements effect of \$63,894 into an established memorandum account. Consistent with a past HCF resolution, we are concerned that the use of such a mechanism may unexpectedly accumulate very large amounts of excess revenue for which no offset is available. However, Evans reports having approximately a \$300,000 overcollection in its memorandum account. Such overcollections are undesirable. Although Evans has not requested HCF support, it must be treated as any other recipient. Therefore, we will apply the 50% waterfall provision to its calculation. After this adjustment is applied, Evans' net settlements effect is \$31,947. We authorize Evans to use its adjusted net settlements effect to help offset the balance in its memorandum account. However, we will also direct Evans to establish an intraLATA billing surcredit to eliminate the balance in its memorandum account.

#### REQUEST TO ELIMINATE SURCREDIT AND ESTABLISH SURCHARGE

West Coast has requested to combine its SPF-to-SLU transition and corresponding CCLC decrease with its HCF impact. This results in a CCLC reduction of \$180,157 due to the SPF-to-SLU transition and a positive 1992 incremental revenue requirement. West Coast requested to eliminate its intraLATA billing surcredit of (7.15%) and implement an intraLATA billing surcharge of 6.53%. West Coast's request is reasonable and should be granted.

#### CCLC CHARGE

In compliance with Ordering Paragraph 64 of D.88-07-022, Pacific filed AL 16115, GTEC filed AL 5359, and West Coast Filed AL 364 requesting authority to decrease the current HCF increment on the CCLC from \$0.0005 per minute of use to \$0.0001 per minute of use. The \$0.0001 was based on 80% recovery of the revenue requirement from the HCF. The \$0.0001 is the minimum significant increment that affects Pacific's CCLC. The carrier common line HCF increment developed from the 50% waterfall provision funding requirement and minutes of use calculate to an increment on the CCLC of \$0.000006. Because an HCF increment of \$0.0001 per minute of use for all of 1992 would exceed the 1992 HCF draw, it is reasonable to decrease the HCF increment of the CCLC to \$0.0000 on April 1, 1992.

FINDINGS OF FACT

1. Ordering Paragraph 64 of D.88-07-022 adopted and directed the implementation of the intrastate High Cost Fund described in Appendix B of that decision.
2. D.88-07-022, Appendix B, provides for intrastate HCF funding by a uniform incremental amount on the Carrier Common Line Charge of all local exchange company interLATA access tariffs.
3. The waterfall provisions delineated in Section D of D.88-07-022 are now in effect. This resolution authorizes 50% recovery from the HCF.
4. The means test provisions delineated in D.91-05-016 and as modified by D. 91-09-042 are now in effect.
5. The advice letter filings by the LECs listed in Appendix A of this Resolution are compliance filings required by Appendix B of D.88-07-022.
6. The review of each LEC's current earnings is normally done in a general rate proceeding, therefore, no finding of reasonableness concerning the current earnings of the LEC is made.
7. To be eligible for the intrastate HCF, D.88-07-022 requires that the LECs propose a rate design that will increase basic exchange access line service rates by a uniform percentage while maintaining the 150% threshold level of comparable California urban rates presently measured by Pacific's LFR flat rate of \$8.35 per month.
8. Winterhaven has satisfied its means test requirement.
9. AT&T's protest should be rejected for the reasons discussed in this Resolution.
10. To recover its 1992 positive net settlements effect, Winterhaven Telephone Company by Advice Letter 28 proposes to recover 80% of its requirement from the HCF. Since it has not initiated a general rate proceeding to date, its net settlements effect adjusted for the 50% waterfall provision is reasonable and should be adopted.
11. The request by several LECs to flow through the 1992 negative net settlements effect as a bill and keep intraLATA surcredit to avoid low recurring rates is reasonable and should be granted.

12. The request by Pinnacles Telephone Company to increase its current bill and keep intraLATA billing surcredit to 50% and to establish a memorandum account for the difference in its 1992 net settlement impacts less its 50% intraLATA billing surcredit is reasonable and should be adopted.
13. Citizens, Contel, CP National, Ponderosa, Roseville, Sierra, Tuolumne, and Volcano, by their advice letters and supplements request no intrastate HCF support. Instead they request that their respective 1992 positive net settlement effect be determined as reasonable. After modification by the 50% waterfall provision, their respective net settlement amounts as shown in Appendix A are determined to be reasonable. Their requests, as adjusted, should be granted.
14. California-Oregon Telephone Company's proposal by AL 155 and supplement to increase its Newell/Tulelake BEALS rates by 10.00% to recover its 1992 positive net settlements effect is reasonable and should be adopted.
15. After modification by the 50% waterfall provision, Evans Telephone Company's request that the positive net settlements effect be used to partially offset the overcollection in its memorandum account is reasonable and should be granted. Evans should be required to establish an intraLATA billing surcredit to eliminate the balance in its memorandum account.
16. GTE West Coast Incorporated's request to combine its SPF-to-SLU filing and its HCF filing is reasonable and is granted. West Coast's request to eliminate its intraLATA billing surcredit and replace it with an intraLATA billing surcharge is reasonable and should be granted.
17. Pacific Bell's AL 16115, GTEC's AL 5359, and GTE West Coast's AL 364 are compliance filings as a result of D.88-07-022.
18. The HCF increment of \$0.0001 is reasonable and should be effective January 1, 1992.
19. The HCF increment on the CCLC should be reduced to \$0.0000 on April 1, 1992. Pacific Bell, GTEC, and GTE West Coast should file tariff revisions reflecting this April 1, 1992 change.

**THEREFORE, IT IS ORDERED that:**

1. Pacific Bell (Pacific), GTE California Incorporated (GTEC), and GTE West Coast Incorporated (GTE West Coast) are authorized to decrease the High Cost Fund increment in the Carrier Common Line Charge to \$0.0001 per minute of use to fund the 1992 intrastate High Cost Fund revenue requirement of \$96,762. The above access tariff revisions shall be effective January 1, 1992 through April 1, 1992.
2. Winterhaven Telephone Company's Advice Letter 28 request to recover its 1992 positive net settlement effects from the California High Cost Fund is granted as adjusted for the 50% waterfall provision.
3. Requests in the advice letters and supplements of the local exchange companies requesting a bill and keep intraLATA billing surcredit as discussed in this Resolution are granted. The tariff revisions contained in the advice letters as supplemented shall become effective January 1, 1992.
4. Pinnacles Telephone Company's request to increase its current bill and keep intraLATA billing surcredit to 50% and to establish a memorandum account for the difference in its 1992 net settlement impacts less its 50% intraLATA billing surcredit is granted. The revised tariff sheets in Pinnacles' Advice Letter 86 shall become effective January 1, 1992.
5. California-Oregon Telephone Company's request in Advice Letter 155 and supplement to increase its Basic Exchange Access Line Service rates to recover the positive net settlement effect is granted. The tariff revisions shall become effective January 1, 1992.
6. Evans Telephone Company shall use 50% of the positive net settlements effects to partially offset the overcollection in its memorandum account. Evans shall file an advice letter by February 1, 1992, proposing an intraLATA billing surcredit to eliminate the balance in its memorandum account.
7. GTE West Coast Incorporated's requests in Advice Letter 360 to implement an intraLATA billing surcharge and Advice Letter 364 to include the High Cost Fund decrease in its proposed Common Carrier Line Charge reduction are granted.

APPENDIX A  
SUMMARY  
1992 HIGH COST FUND

LOCAL EXCHANGE COMPANIES	ADVICE LETTER NO.	NET SETTLEMENT EFFECTS	CONTRIBUTION FROM LOCAL RATES	1992 NET CHCF REQUIREMENT	COMMENTS
1. Calaveras	142	(\$135,427)	0	(\$135,427)	Request (14.26%) surcredit.
2. Cal-Oregon	155	10,884	10,945	(61)	Request to eliminate present surcredit and increase some BEALS rates. (1)
3. Citizens	505	7,006,333	0	3,503,167	Did not request CHCF support. (2)
4. Contel	925	22,222,399	0	11,111,200	Did not request CHCF support. (2)
5. CP National	284-T & supplement	234,321	0	117,161	Did not request CHCF support. (2)
6. Ducor	165	(40,336)	0	(40,336)	Request (15.69%) surcredit.
7. Evans	209	63,894	0	31,947	Request the amount be placed in memo. acct. (2)
8. Foresthill	148	(20,557)	0	(20,557)	Request (1.94%) surcredit.
9. Happy Valley	124	(221,498)	0	(221,498)	Request (30.68%) surcredit.
10. Hornites	114	(32,695)	0	(32,695)	Maintain (50.00%) surcredit.
11. Kernan	194	(159,640)	0	(159,640)	Request (7.25%) surcredit.
12. Pinnacles	86	(48,495)	0	(48,495)	Request (50%) surcredit, remainder in memo acct.
13. Ponderosa	180	369,975	0	184,988	Did not request CHCF support. (2)
14. Roseville	305	6,043,344	0	3,021,672	Did not request CHCF support. (2)
15. Sierra	159	625,704	0	312,852	Did not request CHCF support. (2)
16. Siskiyou	191	(90,698)	0	(90,698)	Request (6.92%) surcredit.
17. Tuolumne	173-T & supplement	578,949	0	289,475	Did not request CHCF support. (2)
18. Volcano	178	228,042	0	114,021	Did not request CHCF support. (2)
19. West Coast	360	(642,833)	0	(642,833)	Incremental positive amount from 1991, with SPF-to-SLU transition, request 6.53% surcharge. (3)
20. Winterhaven	28	193,524	0	96,762	Request full recovery from CHCF. (2)
TOTAL DRAW FROM CHCF				\$96,762	

- (1) Request to eliminate surcredit and increase Newell/Tulelake BEALS rates by 10.0%.
- (2) Adjusted for 50% waterfall impact.
- (3) In compliance with D.90-11-058, West Coast AL 362 requests to reduce the above surcharge by 1.01% effective 1/1/92.

1 requested CHCF recovery  
 8 requested a surcredit  
 8 did not request CHCF recovery  
 1 requested the amount be placed in established memorandum account  
 1 requested to eliminate surcredit and increase some BEALS rates by 10%  
 1 requested to eliminate surcredit and implement surcharge

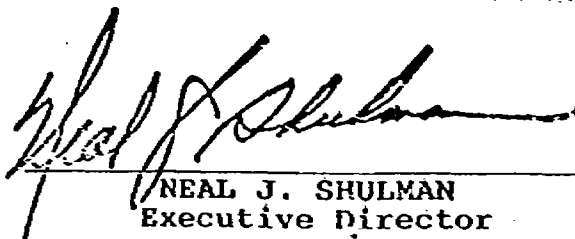
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8. Pacific Bell, GTE California Incorporated, and GTE West Coast Incorporated are ordered to file tariff revisions to reduce the High Cost Fund increment in the Common Carrier Line Charge to \$0.0000 effective April 1, 1992. The advice letters must be filed in accordance with General Order 96-A to become effective on April 1, 1992.

9. All tariff sheets filed under the Advice Letters of the local exchange companies listed in Appendix A to this Resolution shall be marked to show that such sheets were authorized by Commission Resolution T-14758.

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 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