

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division
Telecommunications Branch

RESOLUTION T-14804
February 5, 1992

R E S O L U T I O N

RESOLUTION T-14804. MODOC RSA LIMITED PARTNERSHIP.
REQUEST TO ESTABLISH DOWNWARD PRICING FLEXIBILITY PER
TEMPORARY TARIFF AUTHORITY GRANTED BY ORDERING PARAGRAPHS
NO. 8 OF DECISION 90-06-025, AS MODIFIED BY
DECISION 90-10-047.

BY ADVICE LETTER NO. 5, FILED ON DECEMBER 5, 1991.

SUMMARY

This Resolution authorizes Modoc RSA Limited Partnership 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 Modoc RSA Limited Partnership 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."

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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.

By Advice Letter No. 5, filed on December 5, 1991, Modoc RSA Limited Partnership (Modoc RSA), a facilities-based carrier in the Modoc Cellular Geographic Service Area, requested authority to file temporary tariffs pursuant to D.90-06-025. Modoc RSA 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 Modoc RSA's Advice Letter No. 5 was made by publication in the Commission's Daily Calendar of December 9, 1991 and by the utility's mailing copies of Advice Letter No. 5 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.

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In determining its average monthly retail subscriber bill, Modoc RSA took the total bill from January 1991 to September 1991 and divided the total bill by nine (9) which in turn was divided by the average number of customers. The components of Modoc RSA's service revenue include the access, airtime, and optional feature charges. Modoc RSA's average monthly retail subscriber bill was found to be in the range of \$50 to \$80.

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

D.90-06-025 does not permit cellular facilities-based carriers to use temporary tariffs for rate changes that would reduce the current margin between wholesale and retail rates until cost allocation methods are adopted and implemented as part of the cellular Uniform System of Accounts (USOA). Furthermore, temporary tariff filings as authorized by D.90-06-025 shall not be used to increase any rate element. We reiterate these constraints to Modoc RSA in our approval of its request for temporary tariff authority.

FINDINGS

1. Modoc RSA has submitted sufficient information and calculations in its Advice Letter No. 5 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.
2. Temporary tariff filings should not be used for rate changes that would reduce the current margin between wholesale and retail rates until a revised USOA is adopted and implemented.
3. Temporary tariff filings should not be used to increase any rate element.

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THEREFORE, IT IS ORDERED that:

1. Modoc RSA Limited Partnership 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. Modoc RSA Limited Partnership shall not use temporary tariffs for rate changes that would reduce the current margin between wholesale and retail rates until a revised cellular Uniform System of Accounts is adopted and implemented.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 5, 1992. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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