

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division
Telecommunications Branch

RESOLUTION T-14862
February 20, 1992

R E S O L U T I O N

RESOLUTION T-14862. CALIFORNIA RSA NO. 4 LIMITED PARTNERSHIP, CONTEL CELLULAR OF CALIFORNIA, INC. (RSA NO. 6), AND CONTEL CELLULAR OF CALIFORNIA, INC. (RSA NO. 7). 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 NOS. 4, 16, AND 18 FILED ON
NOVEMBER 26, 1991.

SUMMARY

This Resolution authorizes California RSA No. 4 Limited Partnership, Contel Cellular of California, Inc. (RSA No. 6), and Contel Cellular of California, Inc. (RSA No. 7) to exercise downward pricing flexibility for their cellular radiotelephone services pursuant to Decision 90-06-025, as modified by Decision 90-10-047. This authority allows these utilities to make temporary tariff filings for reductions of up to ten percent (10%) of their respective 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."

February 20, 1992

Calif. RSA No. 4 Ltd. Partnership/A.L. No. 4
 Contel Cell. of Calif. Inc. (RSA 6)/A.L. No. 16
 Contel Cell. of Calif. Inc. (RSA 7)/A.L. No. 18/nyg

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 26, 1991, the following facilities-based carriers filed advice letters requesting authority to file temporary tariffs pursuant to D-90-06-025:

<u>Carrier</u>	<u>A.L. No.</u>	<u>County of Operation</u>
California RSA No. 4 Limited Partnership (RSA 4)	4	Madera, Merced, and San Benito
Contel Cellular of California (RSA 6)	16	Mono and Inyo
Contel Cellular of California (RSA 7)	18	Imperial

All three utilities 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 their requested range of downward pricing flexibility.

NOTICE/PROTESTS

Public notice of RSA 4, RSA 6, and RSA 7's Advice Letter Nos. 4, 16, and 18, respectively, were made by publication in the Commission's Daily Calendar of December 4, 1991 and by the utilities' mailing copies of Advice Letter Nos. 4, 16, and 18, respectively, 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.

Calif. RSA No. 4 Ltd. Partnership/A.L. No. 4

Contel Cell. of Calif. Inc. (RSA 6)/A.L. No. 16

Contel Cell. of Calif. Inc. (RSA 7)/A.L. No. 18/nyg

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 their average monthly retail subscriber bill, RSA 4, RSA 6, and RSA 7 each took the average monthly bill of each customer during the three months ended October 31, 1991, and used it to estimate the average monthly retail bill. The components of the three utilities' revenue include the access and airtime charges. Each utility's average monthly retail subscriber bill was found to be in the range of \$60 to \$90.

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 the three utilities in our approval of their request for temporary tariff authority.

FINDINGS

1. RSA 4, RSA 6, and RSA 7 have submitted to CACD sufficient information and calculations in their Advice Letter Nos. 4, 16, and 18, respectively, and the associated proprietary submittal to support their 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.

February 20, 1992

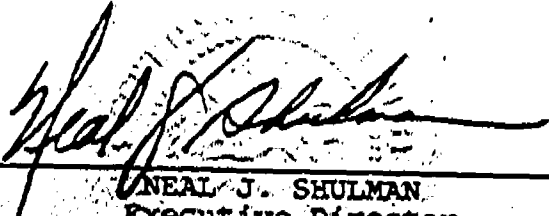
Calif. RSA No. 4 Ltd. Partnership/A.L. No. 4
Contel Cell. of Calif. Inc. (RSA 6)/A.L. No. 16
Contel Cell. of Calif. Inc. (RSA 7)/A.L. No. 18/nyg

THEREFORE, IT IS ORDERED that:

1. California RSA No. 4 Limited Partnership, Contel Cellular of California, Inc. (RSA 6), and Contel Cellular of California, Inc. (RSA 7) are 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. California RSA No. 4 Limited Partnership, Contel Cellular of California, Inc. (RSA 6), and Contel Cellular of California, Inc. (RSA 7) 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 20, 1992. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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

Commissioner Patricia M. Eckert
being necessarily absent, did not
participate.