

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Branch
Commission Advisory and Compliance Division

RESOLUTION T-14869
March 11, 1992

R E S O L U T I O N

RESOLUTION T-14869. PAGING NETWORK OF LOS ANGELES,
INC. REQUEST FOR INCREASE IN RECONNECTION FEES.

BY ADVICE LETTER No. 54, FILED ON SEPTEMBER 20, 1991

SUMMARY

This resolution authorizes Paging Network of Los Angeles, Inc. (PageNet) to increase from \$10 to \$15 the reconnection fee to be assessed customers whose service has been disconnected for nonpayment of bills or other violation of the utility's rules. No protests were received from competing utilities, but 24 protests were received from customers. PageNet indicates that the annual increase in revenues will be less than \$100,000.

BACKGROUND

PageNet is a radiotelephone utility (RTU) that provides one-way paging service in portions of Los Angeles, Orange, San Bernardino, Riverside, Ventura and San Diego counties. The utility filed Advice Letter No. 54 to increase from \$10 to \$15 the reconnection fee to be assessed customers whose service has been disconnected for nonpayment of bills or other violations of the utility's rules. PageNet cited increased administrative costs as the reason for the increase.

NOTICE/PROTESTS

Notice of the filing appeared in the Commission's Daily Calendar of September 25, 1991. Also, pursuant to General Order No. 96-A, Section III, Paragraph 6, PageNet mailed copies to other utilities and to all interested parties requesting notification. PageNet also informed affected customers of the proposed increase on September 1, 1991 citing "increased administrative costs" as the reason for the increase. No protests were received from other utilities, but 24 of PageNet's customers filed protests with the Commission Advisory and Compliance Division (CACD). One customer wrote to CACD in support of the increase.

Many customers protested the 50% increase in the reconnection charge, and felt that PageNet had not justified its increased

administrative costs. Based on the comments received by CACD, some of the customers mistakenly thought that PageNet was proposing an increase in its basic service rates.

PageNet responded to the customer protests in a letter dated October 24, 1991. The response indicated that the protesting subscribers appeared to be greatly overestimating the effect the proposed reconnection fee increase would have on their monthly bills. The protestants seemed to fail to understand that the reconnection fee is a nonrecurring charge, assessed only against subscribers whose service has been disconnected for nonpayment of bills and who wish to have service reestablished. The vast majority of PageNet customers, customers who do not have their service disconnected for nonpayment of bills, will never encounter the reconnection charge.

DISCUSSION

PageNet's request for an increase in its reconnection fee appears to be reasonable. The utility indicates that the proposed increase affects less than 1% of PageNet's existing customer base and would amount to less than a \$100,000 increase in annual revenues.

As PageNet's response to the various protests indicates, customers who pay their bills will never have to pay this particular fee. While many customers protested the increase, they did not appear to understand what exactly they were protesting.

The one-way paging industry is competitive. Those customers who object to the increase in the reconnection have the option of transferring their service to another company.

FINDINGS

1. PageNet's proposed increase in its reconnection fee for customers who have been disconnected for nonpayment of bills is reasonable.
2. PageNet's customers who object to the increase in reconnection fees can transfer their service to other paging companies.

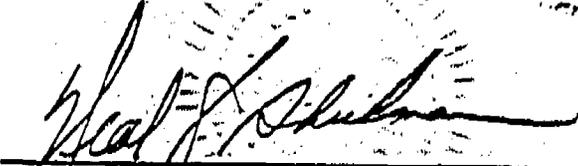
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THEREFORE, IT IS ORDERED that:

Advice Letter No. 54 of Paging Network of Los Angeles, Inc. requesting authority to increase its reconnection fee to \$15 for those customers whose service has been disconnected for nonpayment of bills or violation of the utility's rules, is approved. The customer protests are denied.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 11, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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