

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory and Compliance Division RESOLUTION T-15144
Telecommunications Branch November 23, 1992

R E S O L U T I O N

RESOLUTION T-15144. METROCALL OF DELAWARE. REQUEST FOR AUTHORITY TO MODIFY THE SERVICE RESTORATION CHARGE AND THE PAGER SERVICE CHARGE AND TO ADD RULE NO. 18, ADJUSTMENTS FOR TAXES, FEES, ETC.

BY ADVICE LETTER NO. 14, FILED ON JULY 31, 1992.

SUMMARY

This resolution authorizes Metrocall of Delaware (Metrocall) to increase its Service Reconnection Charge and Pager Service Charge to restore a customer's service, in order to recover the expense created by those customers whose accounts have been temporarily disconnected due to failure to make payment for the paging services they have received, or who have in some other fashion violated the terms and conditions of Metrocall's tariffs.

In addition, this resolution requires that Metrocall Supplement Advice Letter No. 14 to delete the language in their introduction of Rule No. 18 item B, which is in violation of Section VI of General Order (G.O.) 96-A.

BACKGROUND

Under G.O. 96-A, Section VI, procedures for filing increased rates, the tariff schedule of a utility may not be changed whereby a rate or a charge is increased until adequate showing and justification has been made before the Commission.

Metrocall is a Radio Telephone Utility providing One-Way Paging and Signaling Service in Northern and Southern California.

Within the past eight months (January 1992 thru August 1992) 118 customers were assessed a Pager Service Charge and/or a Service Reconnection Charge for service restoration. The Service Reconnection Charge is assessed to the subscriber to recover the expense in handling these delinquent accounts. The Pager Service Charge is assessed to each additional pager which must be reactivated on a multi-pager account. The utility projects that 150 customers will pay these charges by the end of 1992. This rate increase will only affect those customers who have

past due accounts and whose service has been disconnected and who request service reconnection.

The increased costs are largely due to specialized invoice production, additional billing processes, long distance telephone calls and the high cost of referral of subscriber accounts to collection agencies.

On July 31, 1992, Metrocall filed Advice Letter No. 14 requesting authority to increase the Service Reconnection Charge and the Pager Service Charge. The current and proposed rates are:

	<u>CURRENT</u> <u>RATES</u>	<u>PROPOSED</u> <u>RATES</u>	<u>PERCENTAGE</u> <u>CHANGE</u>
Service Reconnect Chg	\$12	\$20	66.7%
Pager Service Chg	\$3	\$5	66.7%

Metrocall projects an increase of less than \$2,000 in annual revenues from the proposed rates.

Metrocall is proposing to introduce a new Rule No. 18, which would allow bill adjustments for taxes, fees, etc... The language in Section B requests authority to pass thru taxes, fees, etc. automatically without Commission approval. Metrocall believes it should have the opportunity to pass thru taxes, fees, etc. imposed by government agencies. The CACD believes that Metrocall will still have the opportunity to recover any taxes imposed by government agencies as long as the requirements set forth in G.O. 96-A are adhered to.

PROTESTS

Public Notice of Metrocall's Advice Letter No.14 was made by publication in the Commission's Daily Calendar on August 7, 1992. Also, pursuant to G.O. 96-A, Section III, Paragraph 6, Metrocall mailed copies to other utilities and to all interested parties requesting notification.

Customer notices were sent out in bill inserts on July 27, 1992. There were 21 timely customer protests and three late protests to the bill insert. Most of the customer responses assumed that Advice Letter No. 14 was proposing to increase their recurring monthly rates. This is not the case. On August 25, 1992, Metrocall responded to the customer complaints and explained that the increase is not in basic service rates, but for customers whose service has been disconnected for non-payment or for violation of the terms and conditions of Metrocall's tariffs and who wish to have their service restored. There were no additional responses from the customers.

DISCUSSION

Metrocall provided the information requested by G.O. 96-A, Section VI to justify the proposed increase in the Service Reconnection Charge and the Pager Service Charge through a letter dated August 25, 1992.

Within the past eight months (January 1992 thru August 1992) there were 118 customer requests for Service Restoration and the utility projects that there will be approximately 150 such requests in the full year. The utility has not sought a rate increase to these Service Reconnection and Pager Service charges during the past four years, despite increased administrative costs associated with the reconnection. These increased costs are largely due to specialized invoice production, additional billing processes and referral of account to a collection agency.

There is no rate increase in basic service, but rather for service reconnection for those customers whose service has been disconnected for non-payment or for violation of Metrocall's tariffs.

The staff of the Commission Advisory and Compliance Division reviewed Metrocall's Advice Letter No. 14, which requests authority for a rate increase in the Service Reconnection Charge and the Pager Service Charge, and found it reasonable.

Metrocall's Advice Letter No. 14 contains text to introduce Rule No. 18, which allows for bill adjustments for taxes, fees, etc. The proposed text states that:

"The amounts resulting from such taxes, fees or exactions imposed against the Company, its property, or its operations, excepting only taxes imposed generally on corporations, shall be billed to its customers pro rata by the Company as appropriate."

This text would allow Metrocall to alter the rates of a customers' bill without first getting Commission approval via the Advice Letter process. This would be in violation of Section VI of G.O. 96-A. Therefore, Metrocall should Supplement Advice Letter No. 14 to remove the text to reflect the requirements of Section VI of G.O. 96-A. The Supplement should be received by the CACD within two weeks of the effective date of this resolution.

FINDINGS

1. On July 31, 1992, Metrocall of Delaware filed Advice Letter No. 14 requesting authority to increase the Service Reconnection Charge from \$12.00 to \$20.00 and the Pager Service Charge from \$3.00 to \$5.00.
2. Metrocall of Delaware's proposed increase is justified to help meet increased costs associated with reconnecting

disconnected services and will provide a greater incentive for customers to pay their bills on time.

3. There were 21 timely protests and three late protests to this advice letter. All the protestants assumed that the filing was for an increase in basic rates. Metrocall responded to the protests on August 25, 1992, informing their customers that was not the case

4. Metrocall's request to raise the Service Reconnection Charge from \$12.00 to \$20.00 and the Pager Service Charge from \$3.00 to \$5.00 to offset the increasing administrative costs associated with service restoration is reasonable.

5. Metrocall's introduction of Rule No. 18, item B, contains text that violates Section VI of G.O. 96-A.

6. Metrocall should supplement Advice Letter No. 14 to remove the text in Rule No. 18, item B, to meet the requirements of Section VI of G.O. 96-A.

7. Metrocall should submit the supplement to Advice Letter No. 14 to the Commission Advisory and Compliance Division within two weeks of the effective date of this Resolution.

THEREFORE, IT IS ORDERED that:

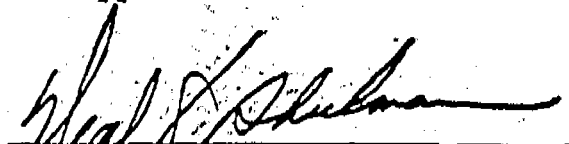
1. Metrocall of Delaware's request to increase the Service Reconnection Charge and the Pager Service Charge for customers is granted.

2. Advice Letter No. 14 shall be supplemented to remove Rule No. 18, item B.

3. The supplement shall be filed with the Commission Advisory and Compliance Division within two weeks of the effective date of this Resolution.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 23, 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