

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Division

RESOLUTION T-15970  
November 26, 1996

R E S O L U T I O N

RESOLUTION T-15970. TWELVE SMALL LOCAL EXCHANGE TELEPHONE COMPANIES. INTERIM ORDER MAKING PRESENT RATES SUBJECT TO REFUND/RECOVERY EFFECTIVE JANUARY 1, 1997.

GENERAL RATE CASE ADVICE LETTER FILINGS IN COMPLIANCE WITH ORDERING PARAGRAPH NO. 45 OF DECISION NO. 94-09-065.

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ADVICE LETTER NO.	FILED BY	DATE FILED
7	CTC OF THE GOLDEN STATE	20-MAY-96 <sup>1</sup>
7	CTC OF TUOLUMNE	20-MAY-96 <sup>2</sup>
247	EVANS TELEPHONE COMPANY	31-DEC-95
408	GTE WEST COAST TELEPHONE COMPANY	28-DEC-95
158	HAPPY VALLEY TELEPHONE COMPANY	28-DEC-95
146	HORNITOS TELEPHONE COMPANY	28-DEC-95
226	KERMAN TELEPHONE COMPANY	29-DEC-95
115	PINNACLES TELEPHONE COMPANY	26-DEC-95
220	THE PONDEROSA TELEPHONE COMPANY	28-DEC-95
225	THE SISKIYOU TELEPHONE COMPANY	28-NOV-95
206	THE VOLCANO TELEPHONE COMPANY	16-DEC-95
64	WINTERHAVEN TELEPHONE COMPANY	28-DEC-95

SUMMARY

The present rates of twelve small local exchange telephone companies (SMLECs) listed in appendix A are made subject to refund/recovery effective January 1, 1997, pending final Commission action by Resolution on individual general rate case (GRC) advice letters filed by the utilities in December 1995. Refund or recovery of any revenue requirement change authorized by final Commission Resolution for each company may be

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- 1 ) Revises Advice Letter No. 332-T of CP National Telephone Co. filed by Alltel Corporation December 27, 1995.
  - 2 ) Revises Advice Letter No. 213-T of Tuolumne Telephone Co. filed by Alltel Corporation December 27, 1995.

accomplished by revised rates and/or a general surcredit/surcharge on each company's ratepayers.

#### BACKGROUND

Decision No. 94-09-065, Ordering Paragraph No. 45, required all SMLECs to file GRCs on or before December 31, 1995. General Order 96-A, Section VI, as modified by Decision No. 82-08-072 and Resolution No. T-10648, permits SMLECs to make GRC filings by advice letter or application.

Twelve SMLECs (see Appendix A) filed GRC advice letters on or before December 31, 1995. Five SMLECs (see Appendix B) filed GRC applications with the Commission's Docket Office instead.

Decision Nos. 96-05-026, 96-05-027, 96-05-028, 96-05-029, and 96-05-030, for the 5 SMLEC GRC applicants made rates subject to refund effective January 1, 1997, and adopted a procedural schedule as set forth in Appendix C. This schedule calls for a final Commission decision in the five general rate case applications by February 28, 1997.

#### DISCUSSION

Issues such as authorized rate of return, revenue estimates, expense estimates, and rate base components are common to the SMLEC filings in the advice letter and application filings. For consistency and uniformity purposes and efficient use of staff resources, it is desirable to have the 1997 test year rates for all SMLECs be approved by the Commission concurrently. Since the schedule for the 5 SMLEC GRC applications defers a final decision in those proceedings until February 28, 1997, Commission Resolutions for the 12 SMLEC GRC advice letters may not be approved until that date as well.

The 12 SMLEC advice letter filings involve both rate decreases and rate increases, effective January 1, 1997. Since final Commission action on these requests will not take place until after that date, it is imperative that the present rates remain in effect until after January 1, 1997, subject to refund/recovery at such time as the Commission does act on the GRC revenue requirement change requests. Accordingly, we will make the rates of the twelve SMLECs contained in Appendix A subject to refund/recovery effective January 1, 1997. The revenue requirement changes we authorize the twelve SMLECs in the future may be recovered by revised rates and/or a surcredit/surcharge on their respective customers.

FINDINGS

1. Decision No. 94-09-065 required all SMLECs to make GRC filings by December 31, 1995.
2. The twelve SMLECs listed in Appendix A filed GRC advice letters by December 31, 1995.
3. The five SMLECs listed in Appendix B filed GRC applications by December 31, 1995.
4. A final Decision on the GRC applications for the five SMLECs in Appendix B is not expected until February 28, 1997.
5. Commission Decision Nos. 96-05-026, 96-05-027, 96-05-028, 96-05-029, and 96-05-030 made rates for the five SMLECs who filed GRC applications subject to refund effective January 1, 1997.
6. The rates for the twelve SMLECs who filed GRC advice letters in Appendix A should be made subject to refund/recovery effective January 1, 1997.

THEREFORE, IT IS ORDERED that:

1. The present rates in effect for the twelve small local exchange telephone companies in Appendix A are made subject to refund/recovery effective January 1, 1997 pending final Commission action on their individual general rate case advice letter filings.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 26, 1996. The following Commissioners approved it:

*Wesley Franklin*

WESLEY M. FRANKLIN  
Executive Director

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, Jr.  
JOSIAH L. NEEPER  
Commissioners

HENRY M. DUQUE, being  
necessarily absent, did not  
participate.

Appendix A

Small Local Exchange Company General Rate Case Advice Letter  
Filings

Company	CIS Number	Advice Letter	Date Filed
CTC of Golden State	U-1025-C	7	20-May-96*
CTC of Tuolumne	U-1023-C	7	20-May-96*
Evans Telephone Company	U-1008-C	247	31-Dec-95
GTE West Coast Telephone Co.	U-1020-C	408	28-Dec-95
Happy Valley Telephone Co.	U-1010-C	158	28-Dec-95
Hornitos Telephone Co.	U-1011-C	146	28-Dec-95
Kerman Telephone Company	U-1012-C	226	29-Dec-95
Pinnacles Telephone Co.	U-1013-C	115	26-Dec-95
The Ponderosa Telephone Co.	U-1014-C	220	28-Dec-95
The Siskiyou Telephone Co.	U-1017-C	225	28-Nov-95
The Volcano Telephone Co.	U-1019-C	206	16-Dec-95
Winterhaven Telephone Co.	U-1021-C	64	28-Dec-95

\* revises 1995 filing by Alltel Corp.

End of Appendix A

Appendix B

Small Local Exchange Company General Rate Case Applications

Company	CIS Number	Application	Date Filed
Calaveras Telephone Co.	U-1004-C	A.95-12-075	26-Dec-95
California-Oregon Telephone Co.	U-1006-C	A.95-12-073	26-Dec-95
Ducor Telephone Co.	U-1007-C	A.95-12-076	26-Dec-95
Foresthill Telephone Co.	U-1009-C	A.95-12-078	28-Dec-95
Sierra Telephone Co.	U-1016-C	A.95-12-077	27-Dec-95

End of Appendix B

Appendix C

Small Local Exchange Company Application (Appendix B)  
Hearing Schedule

Supplemental Company Testimony:	Mid-May 1996
DRA Rate of Return Exhibit:	July 1, 1996
DRA Exhibits on Other Issues:	July 31, 1996
Company Rebuttal Testimony:	August 27, 1996
Joint Witness Schedule Proposal:	August 29, 1996
*Evidentiary Hearings Begin:	September 9, 1996
Concurrent Opening Briefs:	October 11, 1996
Concurrent Reply Briefs:	October 31, 1996
Proposed Decision (approx):	January 31, 1997
Commission Decision (approx):	February 28, 1997

\*10:00 a.m., Commission Courtroom, 505 Van Ness Avenue,  
San Francisco.

End of Appendix C'