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To: Hall, Thomas A. (thomas.hall@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: DRA Applauds Rural Phone Refunds

## **FOR IMMEDIATE RELEASE**

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## **DRA Applauds Rural Phone Refunds**

SAN FRANCISCO, June 24, 2010 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), applauds today’s CPUC decision to refund California ratepayers over \$31 million due from small telephone companies.

The Rural Telephone Bank (RTB) was established by Congress in 1971 to make low-interest funding available to small rural telephone companies to allow for investment in telephone poles and wires in order to improve and expand service to rural customers. The CPUC found that the telephone companies used ratepayer dollars as collateral for the RTB funding, and therefore had to refund to ratepayers gains resulting from that investment when the RTB was dissolved in 2006.

The RTB dissolution generated approximately \$31 million dollars in revenue. However, the telephone companies proposed to give ratepayers only \$3,000 of this amount. The CPUC determined that the lion’s share of the \$31 million belonged to ratepayers and ordered it refunded with interest. This decision affects 11 small telephone companies that serve rural areas of California.

“I’m pleased that the CPUC did the right thing by ordering these telephone companies to credit ratepayers with the profits that were made using ratepayer money,” said DRA Director Dana

Appling.

For more information on DRA, please visit [www.dra.ca.gov](http://www.dra.ca.gov).

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