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BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

In the Matter of Application of The Siskiyou Telephone Company (U-1017-C) to Review Intrastate Rates and Charges and Rate of Return for Telephone Service Furnished Within the State of California

Application No. 09-10-004  
(Filed October 1, 2009)

**PETITION**  
**OF THE SISKIYOU TELEPHONE COMPANY (U-1017-C)**  
**FOR MODIFICATION OF D. 10-11-007**

**I.**

**INTRODUCTION**

Pursuant to Rule No. 16.4 of this Commission's Rules of Practice and Procedure, Applicant The Siskiyou Telephone Company ("Siskiyou" or "Applicant") hereby respectfully submits this Petition For Modification ("Petition") of this Commission's D. 10-11-007 ("Decision") in order to provide for the recovery by Siskiyou of the revenue requirement adopted in the Decision.

**II.**

**PROCEDURAL BACKGROUND**

On October 1, 2009, Siskiyou filed its application for a general rate increase. In response thereto, this Commission issued its Decision 10-11-007 providing some of the rate relief sought by Siskiyou in its application, and adopted a test year intrastate revenue requirement for 2011 of \$10,522,190. In connection with this determination, the Decision included a footnote no. 4, beginning on page 5 that provides as follows:

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"In the Settlement Agreement, Applicant and DRA estimated that Applicant would receive \$4,185,573 in Universal Service Fund (USF) funding for test year 2011. On October 1, 2010, the Commission received 2011 USF funding amount information from the National Exchange Carrier Association, Inc. (NECA) for all the small rural local exchange carriers in California. According to the NECA data, Applicant will receive \$4,137,954 in USF funding in 2011. The decreased USF funding amount of \$47,619 should be made up by an equal increase in Siskiyou's CHCF-A funding amount."

By the time the Decision had been issued, on November 19, 2010, Siskiyou had already filed its 2011 CHCF-A Advice Letter, so could not include the additional \$47,619 in that advice letter filing. Nonetheless, Siskiyou believed that the Commission would be aware of its own decision with respect to Siskiyou's revenue requirement and CHCF-A draw for 2011. When the 2011 CHCF-A Draft Resolution No. T-17298 for all small LECs was issued, it did not provide for the additional funding ordered in the Decision. In response to Draft Resolution T-17298, the small LECs filed comments that included comments related specifically to Siskiyou's additional revenue requirement ordered but not provided for. A copy of the page of those comments, submitted on January 12, 2011 that sets out Siskiyou's argument on this issue, is attached hereto. When the Commission issued its final Resolution T-17298 addressing CHCF-A funding for all small LECs, it did not provide for the funding required to provide for the revenue requirement ordered in the Decision. In informal conversations with staff of the Communications Division of the Commission, Siskiyou has been advised to pursue the issue of insufficient provision of CHCF-A funding via a petition for modification. In an abundance of caution, Siskiyou, along with other small LECs is also pursuing an Application for Rehearing of Resolution T- 17298. This Application for Rehearing will address, among other things, the revenue requirement funding deficit experienced by Siskiyou despite the Commission's clear order in the Decision. On the basis of the foregoing, the Commission should issue its order modifying D. 10-11-007 that either provides for an adjustment of Siskiyou's CHCF-A draw by an increase of \$47,619 in order to provide for Siskiyou's revenue requirement found reasonable in the Decision, or provided for some other mechanism to recover that revenue requirement, such as a surcharge.

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III.

**PRAYER FOR RELIEF**

WHEREFORE, Applicant respectfully prays that this Commission issue an order or orders modifying the Decision to the following effect:

- 1) providing for a mechanism by which Siskiyou can recover an additional \$47,619 in intrastate revenues, by an additional CHCF-A draw or otherwise, and
- 2) for such other relief as may be necessary and proper.

Executed at San Francisco, California on this 14<sup>th</sup> day of February, 2011.

THE SISKIYOU TELEPHONE COMPANY

By: 

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648510.1

**1. The Draft Resolution Does Not Properly Reflect the Results of the Siskiyou Rate Case Decision and the Adjustments Called for By That Decision:** The Draft Resolution does not properly reference the \$4,205,713 in valid CHCF-A amounts for Siskiyou, apparently under the assumption that Siskiyou's CHCF-A draws for 2011 will be authorized through an independent resolution. The Draft Resolution states that "Siskiyou has filed a GRC Application and the Department of Ratepayer Advocates will issue a Resolution with Siskiyou's CHCF-A revenue requirement for CY 2011." *Draft Resolution*, at p. 14. Even on its face, this statement makes no sense, as there is no such thing as a DRA Resolution. DRA participates in Commission proceedings as a party, and has no authority to issue a resolution.

The amount of CHCF-A funding to be allocated to Siskiyou for 2011 was established in D.10-11-007, the decision resolving Siskiyou's rate case. The Draft Resolution should memorialize the results of that rate case by identifying Siskiyou's 2011 CHCF-A funding. Relative to Siskiyou, the function of this Draft Resolution is not to determine the CHCF-A funding for 2011, but rather to confirm Siskiyou's entitlement to CHCF-A funding based on D.10-11-007. The language on page 14 of the Draft Resolution should be revised to reflect the CHCF-A funding authorized by D.10-11-007.

In the settlement adopted by D.10-11-007, DRA and Siskiyou agreed that Siskiyou would receive \$4,158,094 in CHCF-A funding for 2011. This figure was adopted subject to a "true up" adjustment to reflect the correct USF figure provided by NECA as part of the CHCF-A annual advice letter process. Footnote 4 of D.10-11-007 described the USF adjustment process as follows:

In the Settlement Agreement, Applicant and DRA estimated that Applicant would receive \$4,185,573 in Universal Service Fund (USF) funding for test year 2011. On October 1, 2010, the Commission received 2011 USF funding amount information from the National Exchange Carrier Association, Inc. (NECA) for all the small rural local exchange carriers in California. According to the NECA data, Applicant will receive \$4,158,094 in USF funding in 2011. The decreased USF funding amount of \$47,619 should be made up by an equal increase in Siskiyou's 2011 CHCF-A funding amount. D.10-11-007, *mimeo*, at pp. 5-6, fn. 4 (emphasis added).

Based on this language, the Commission has already authorized a \$47,619 upward adjustment to the CHCF-A funding that Siskiyou will receive during 2011. Accordingly, the Draft Resolution should be revised to include funding for Siskiyou in the amount of \$4,205,713, reflecting the combination of the \$4,158,094 amount adopted in the settlement with DRA and the \$47,619 USF adjustment authorized by D.10-11-007. Language identifying Siskiyou's total CHCF-A draw for 2011 should be inserted on page 14 of the Draft Resolution.

## VERIFICATION

E. Garth Black declares under penalty of perjury that the following is true and correct:

I am a member of the State Bar of California, and am one of the attorneys for The Siskiyou Telephone Company (U 1017 C) ("Siskiyou") with respect to this Petition for Modification of Decision 10-11-007. Siskiyou is absent from and has no officer in the City and County of San Francisco, where I maintain my office. I therefore make this verification on its behalf.

The contents of the Petition Of The Siskiyou Telephone Company (U 1017 C) For Rehearing of Decision 10-11-007, to which this verification is appended, are true and correct based upon my own knowledge, except as to those matters stated therein on information and belief, and as to those matters I believe them to be true.

Executed this 14th day of February, 2011 at San Francisco, California.

A handwritten signature in black ink, appearing to read 'E. Garth Black', written over a horizontal line.

E. Garth Black

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**CERTIFICATE OF SERVICE**

I am a resident of the State of California. I am over the age of eighteen years, and not a party to this action. My business address is 201 California Street, Seventeenth Floor, San Francisco, California 94111-5002.

On February 14, 2011, I served the following document(s):

**PETITION OF THE SISKIYOU TELEPHONE COMPANY (U-1017-C) FOR MODIFICATION OF D. 10-11-007**

on each of the parties listed below at the following addresses:

**SEE ATTACHED LIST**

**BY ELECTRONIC DELIVERY:** On the date specified above, by or before 5:00 p.m., I transmitted from electronic notification address mspence@cwclaw.com, a true copy of the above-referenced document(s) to the notification address(es) identified in the above service list, each of which electronic notification address is the last electronic notification address given on any document filed in the cause by the party served . The described transmission was reported as complete and without error.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on February 14, 2011, at San Francisco, California.

  
\_\_\_\_\_  
Martin Spence

## SERVICE LIST

### CPUC Service List as of November 22, 2010 Proceeding No. A. 09-10-004

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