

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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In the Matter of Application of Volcano Telephone Company (U 1019 C) to Review Intrastate Rates and Charges, Establish a New Intrastate Revenue Requirement and Rate Design, and Modify Selected Rates

A.15-12-002
(Filed December 1, 2015)

**PROTEST
OF THE OFFICE OF RATEPAYER ADVOCATES**

I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Office of Ratepayer Advocates (ORA) files this timely protest to Application (A.) 15-12-002 of Volcano Telephone Company (Volcano). In A.15-12-002, Volcano seeks authorization to establish a new intrastate revenue requirement and rate design.

Volcano filed its Application on December 1, 2015, and the Application appeared on the Commission's Daily Calendar on December 3, 2015.

II. APPLICATION

In its Application, Volcano requests the Commission adopt an intrastate revenue requirement of \$11,647,597 for test year 2017 based on \$7,630,244 in anticipated regulated expenses and property taxes, a return on rate base of \$2,516,413, and forecasted tax liabilities of \$1,500,940.¹ Volcano's proposed 2017 revenue requirement and forecasted revenues results in a California High

¹ Volcano Application at 3, lines 6-9.

Cost Fund-A (A-Fund) subsidy for test year 2017 of \$6,960,937 or approximately three times the A-Fund subsidy adopted in Volcano’s previous general rate case.²

III. GENERAL ISSUES

Consistent with the statutory requirement that “all charges demanded or received by any public utility...shall be just and reasonable,”³ ORA is conducting the necessary examination of the testimony and work papers that Volcano has provided to support the requests in its Application. ORA will also be issuing discovery to obtain clarification and supporting documentation for underlying assumptions and calculations to ensure that the company’s requests are in the public interest.

The following provides a non-exhaustive identification of issues ORA intends to examine and address in its testimony before the Commission.

1. Volcano’s proposed rate design, which the company describes as a “modest increase for all residential customers.”
2. Volcano proposes to triple the A-Fund subsidy that was established in Volcano’s last general rate case.
3. Volcano requests to establish revenue requirements using forecasted corporate expenses that exceed the Federal Communications Commission’s limits adopted in Commission decision D.14-12-084.
4. Volcano’s overall quality of service and compliance with General Orders pertaining to safety and reliability.

The above items represent a general summary of the issues ORA has preliminarily identified within the Application. As discovery proceeds, other issues may arise and ORA reserves the right to address such issues in its testimony.

² Resolution T-17108 adopted an A-Fund subsidy of \$2,364,982

³ Public Utilities Code Section 451

IV. CATEGORIZATION AND PROPOSED SCHEDULE

ORA agrees with Volcano's categorization of this proceeding as ratesetting and that the revenue requirement and rate design issues involved in this case may require hearings.

Below, ORA's proposed schedule reflects the date publication of the Application appeared on the Commission's Daily Calendar and adjusts for weekends and holidays.

ITEM	ORA Proposed Schedule
Application Filed	December 01, 2015
Application Appears in CPUC Daily Calendar	December 03, 2015
Protest / Intervenor deadline	January 04, 2016
Reply to protest	January 14, 2016
Prehearing Conference	February 03, 2016
Intervenor Testimony due	May 03, 2016
Rebuttal Testimony due	June 03, 2016
Evidentiary Hearings	July 05, 2016
Opening Briefs	August 3, 2016
Reply Briefs / ALJ closes record	August 24, 2016
Proposed Decision	November 23, 2016
Comments on Proposed Decision	December 9, 2016
Commission Meeting/Decision	December 15, 2016
Implement new GRC rate structure	January 01, 2017

V. CONCLUSION

Volcano's Application includes numerous requests with direct impacts upon rates, charges, and A-Fund subsidies. The reasonableness of the assumptions and the accuracy of the calculations underlying the requests must be reviewed to ensure that the requested relief is just and reasonable. Although ORA is hopeful that resolution of any disputed issues can be achieved through the Commission's Alternative Dispute Resolution process, evidentiary hearings may be required, and a schedule should be established to accommodate thorough examination of the Application.

Respectfully submitted,

/s/ TRAVIS T. FOSS

Travis T. Foss
Staff Counsel

Attorney for the Office of Ratepayer
Advocates

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-1998
Email: travis.foss@cpuc.ca.gov

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