

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight and Programs Branch**

**RESOLUTION T-17698
June 25, 2020**

R E S O L U T I O N

RESOLUTION T-17698, Pinnacles Telephone Company. Approves recovery of \$11,553 in revenue shortfall during January 1 through December 31, 2019, through the California High Cost Fund-A.

S U M M A R Y

By Advice Letter 292 filed January 8, 2020, Pinnacles Telephone Company requests recovery of a revenue shortfall of \$11,553¹ through the California High Cost Fund-A, pursuant to Ordering Paragraph (O.P.) 16 of Decision (D.) 19-12-011 in General Rate Case Application (A.) 17-12-004. The revenue shortfall occurred because the Commission adopted the General Rate Case D.19-12-011 for Test Year 2019 after the start of the test year. This Resolution approves Pinnacles Telephone Company recovery request of \$11,553 from the California High Cost Fund-A (CHCF-A).

B A C K G R O U N D

O.P. 16 of D.19-12-011 states, "The Pinnacles Telephone Company is authorized to submit a Tier 2 Advice Letter to the Communications Division within 30 days of the effective date of this decision to request any revenue shortfall resulting from this decision not being approved as of January 1, 2019, through the California High Cost Fund-A. The Advice Letter must provide a calculation to "true up" the revenue differential for the Test Year 2019."

Pinnacles filed a Tier 2 AL 292 on January 8, 2020 in compliance with D.19-12-011, providing calculations and supporting workpapers for the revenue shortfall. Staff suspended the AL on April 29, 2020, citing that a resolution would require additional time for further compliance review.

¹ Rounded to the nearest dollar

Pinnacles' calculated shortfall amount equals the difference between the revenue at rates authorized by D.19-12-011 and the actual revenue at the rates prior to the decision for January 1 through December 31, 2019.

PROTEST

The Commission received Pinnacles AL 292 on January 8, 2020, which appeared in the Daily Calendar on January 10, 2020. The Commission received no protests.

DISCUSSION

Staff has reviewed Pinnacles' calculation of the revenue shortfall along with the supporting workpapers and determined that the revenue shortfall calculation of \$11,553 is reasonable and consistent with O.P. 16 of D.19-12-011. Staff recommends that the Commission approve Pinnacles' request for \$11,553 from the CHCF-A.

SAFETY CONSIDERATIONS

The CHCF-A subsidy provides Pinnacles with financial resources to provide safe, reliable and affordable telephone service to their customers in rural, high costs. Reliable telephone service is essential in rural, remote and isolated areas. This Resolution addresses safety by providing the CHCF-A subsidy to Pinnacles, which will promote the goals of universal service in high cost, rural communities

COMMENTS

In compliance with P.U. Code § 311(g), the Commission emailed a notice letter on May 22, 2020, informing Pinnacles of the availability of this Resolution for public comments at the Commission's website www.cpuc.ca.gov. Comments are due within twenty (20) days of Daily Calendar notification. The notice letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at the same website.

FINDINGS

1. D. 19-12-011 authorized Pinnacles Telephone Company to submit a Tier 2 Advice Letter to the Communications Division within 30 days of the decision effective date to request any revenue shortfall resulting from the decision not being approved as of January 1, 2019, through the California High Cost Fund A.

2. Pinnacles Telephone Company filed Tier 2 Advice Letter 292 on January 8, 2020, providing calculation of \$11,553 revenue shortfall for the period January 1 through December 31, 2020.
3. Pinnacles Telephone Company requested that the revenue shortfall of \$11,553 be recovered from the California High Cost Fund-A.
4. Staff has reviewed Pinnacles Telephone Company's calculated revenue shortfall and finds it reasonable and consistent with Ordering Paragraph 16 of D.19-12-011.

THEREFORE, IT IS ORDERED that:

1. Pinnacles Telephone Company's request to recover a revenue shortfall of \$11,553 through the California High Cost Fund-A is granted.
2. The Communications Division is directed to disburse \$11,553 from the California High Cost Fund-A to Pinnacles Telephone Company, within thirty (30) days of the effective date of this Resolution.

This Resolution is effective today.

I certify that the foregoing Resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on _____, the following Commissioners voting favorable thereon:

Alice Stebbins
Executive Director