

ORIGINAL

Decision No. 45316

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY, a corporation, for authority
to increase certain intrastate rates
and charges applicable to telephone
service furnished within the State of
California.

Application No. 31300

OPINION AND ORDER GRANTING PETITION FOR REHEARING
AND
REOPENING FOR LIMITED PURPOSE

O P I N I O N

Petitioner has filed its petition for rehearing and reopening respecting Decision No. 44923 (50 Cal. P.U.C. 247), rendered by this Commission on the 19th day of October, 1950, which decision dismissed the application of petitioner for rate relief. Petitioner requests, in addition to a rehearing, reopening of this proceeding for the purpose of putting in additional evidence in support of its case. A large majority of the protesting parties have filed answers in opposition to said petition and urge that the same be denied.

Many grounds and reasons are alleged by petitioner as justification for the granting of its petition. No useful purpose could be served by answering seriatim the many contentions made by petitioner in its petition, although all such contentions have been considered. We believe that the reasons announced and the principles of law and authorities cited in our decision are an adequate answer to petitioner's contentions and we hereby reaffirm those reasons and principles of law. ~~The simple fact is that,~~ Under no permissible theory

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of law or fact, did petitioner prove a case justifying rate relief.

Petitioner asserts that it can correct any deficiencies of proof by putting in evidence actual operating results, intrastate and otherwise, if the Commission will grant a rehearing and reopening for such purpose. Conformable to the liberal rule of procedure that permits the indulgence of all reasonable opportunities to a litigant to make his case, we will grant the petition for rehearing and reopening for the limited purpose of permitting petitioner to offer in evidence its actual operating results (total company, total California and California intrastate) in the form and detail and covering such periods of time as specified in Exhibit "A" attached to this decision. As a condition to the relief granted herein, petitioner must serve copies of the exhibits embodying said operating results upon all parties of record herein and the Commission staff at least thirty days prior to filing the same with the Commission. The following order will grant the relief envisioned herein.

O R D E R

Pursuant to the foregoing opinion, and good cause appearing, IT IS ORDERED that the petition for rehearing and reopening, filed by petitioner herein, be and the same is hereby granted for the limited purpose of permitting petitioner to offer in evidence its actual operating results (total company, total California and California intrastate) in the form and detail and covering such periods of time as specified in Exhibit "A" attached to this decision.

Rehearing of this proceeding, to the limited extent herein provided, will be held before such Commissioner or Examiner as may hereafter be designated, and at a time and place hereafter to be set.

The Secretary is hereby directed to cause immediate service of a copy of this decision to be made upon the petitioner and all appear-

ances of record herein and, thereafter, to cause notice of time and place of hearing herein to be made upon petitioner and all appearances of record herein at least ten days prior to the date of said hearing.

Dated at San Francisco, California, this 30th day of January, 1951.

A. E. Anderson
Justice J. Casner
Harold Hild
Francis J. Potter
Commissioners

EXHIBIT "A"

Following are the operating results of petitioner, which it will be required to offer in evidence as a condition to the relief prescribed by the Opinion and Order of which this exhibit is a part:

(a) Actual operating results and rate of return covering California intrastate operations since the last increase in rates granted by this Commission, viz., September 1, 1949, to and including December 31, 1950, with rate of return computed on an annual basis for the last four months of 1949, for the first six months of the year 1950, and for the last six months of 1950. Operating results and per cent return on an annual basis are also to be shown for each month of the above periods. In all cases the results are to reflect redistribution to the proper months of any accounting adjustments entered in particular months which are properly applicable to previous months, and in the case of federal income taxes, the redistributed amounts are to reflect application of the prescribed normal and surtax rates of 23% and 19%, respectively, to the taxable income applicable to each 1950 period.

(b) Actual total California operating results with rates of return computed as specified in paragraph (a) above.

(c) Total company balance sheet and income and profit and loss statement for the calendar year 1950.

(d) In all instances, the rate base used must be clearly indicated, showing the components included therein.

(e) The revenues, expenses and taxes are to be shown by principal components, and accounting adjustments made

are to be shown in detail. The amount of payments included under the so-called "License Contract" and the basis of allocation of such amounts to California intrastate operations must be shown.
