

Decision No. 55068

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THE WESTERN TELEPHONE COMPANY, a)
 California corporation, for authority) Application No. 37439
 to increase certain rates and charges)
 applicable to telephone service furnished)
 within the State of California.)

Warren A. Palmer of Orrick, Dahlquist,
 Herrington & Sutcliffe, and Neal C. Hasbrook,
 for applicant;
 Bert Buzzini for California Farm Bureau Federation,
 Neal C. Hasbrook for California Independent
 Telephone Association, interested parties;
Harold J. McCarthy, William W. Dunlop and
 John F. Donovan for the Commission staff.

OPINION AND ORDER ON FURTHER HEARING

Applicant filed the above-entitled application on
 October 29, 1955, requesting increases in telephone rates amounting
 to approximately \$54,000 on an annual basis. By this Commission's
 Decision No. 53138, issued May 28, 1956, applicant was granted
 authority to increase toll rates \$3,800 annually and, additionally,
 to place a surcharge of 5½ per cent on billings for exchange or
 combined exchange and intrastate toll service for the period June 1
 to December 31, 1956. The rate relief granted was thus of a temporary
 or interim nature.

In compliance with the aforementioned decision, applicant
 completed and filed a separation study. As a result of such study
 applicant obtained increased toll compensation of over \$50,000 on an
 annual basis, thereby seeming to relieve applicant of the necessity
 of obtaining the full amount of rate relief originally sought. The

Commission having been so informed by its staff, further hearing in the matter was held before Examiner F. Everett Emerson on April 29, 1957, at San Francisco. The matter was concluded and submitted on that date.

At the hearing applicant, through counsel, requested that the interim relief previously granted be made permanent and that applicant's remaining requests for additional permanent rate relief be dismissed without prejudice. On the basis of applicant's estimates it appears that applicant will realize a rate of return of not to exceed 6 per cent during the year 1957 but that, even so, applicant's earning position will be considerably improved over that foreseeable at the time of its original request for rate relief. Applicant is now in a position to continue with its substantial construction program.

Counsel for the Commission staff, in presenting the staff's present position in the matter, stated that it is the staff's recommendation that the \$3,800 annual increase in toll rates heretofore authorized be continued in effect and that in other respects the application herein be denied.

Clearly, applicant and our staff are in agreement as to the nature of the final disposition of this matter.

In view of the entire record in this matter we conclude that the rate relief heretofore granted applicant was justified, that no further relief is now justified and that the interim situation prevailing should be made permanent. Good cause appearing, therefore;

IT IS ORDERED that Decision No. 53138, issued May 28, 1956 is hereby reaffirmed and that the rate relief authorized therein is hereby made permanent in so far as toll telephone rates are concerned and that in all other respects the application herein is denied without prejudice.

Dated at San Francisco, California, this 4th day of JUNE, 1957.

E. B. Mitchell
President
Donald B. Kersey
Mark D. ...
R. ...
E. ...
Commissioners