

Decision No. 58943**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation on the Commission's own motion into the reasonableness of the rates, rules, regulations, charges, classifications, contracts, practices, operations and service, or any of them, of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, GENERAL TELEPHONE COMPANY OF CALIFORNIA, KERNAN TELEPHONE COMPANY and SANGER TELEPHONE COMPANY.

Case No. 5928

OPINION AND ORDER PARTIALLY GRANTING  
PETITION FOR MODIFICATION

The Pacific Telephone and Telegraph Company has filed in the above-entitled proceeding a petition for modification of certain of the provisions of Decision No. 58312, rendered herein on April 28, 1959. The Commission has considered said petition and, upon reconsideration, is of the opinion that said petition should be granted in part.

It must be kept in mind by petitioner that the assailed decision is interlocutory and provisional and is subject to being modified by the final decision which will be rendered herein, as the law and the facts may warrant.

Petitioner misreads Decision No. 58312 if it is of the opinion that such decision seeks to confiscate petitioner's property. No such intent is expressed in said decision and none is implied.

The language of the decision referring to the making of a charge to surplus was not intended as a direction to petitioner to take accounting action, but merely expressed the present intent

of the Commission that any insufficiency of revenues should not become an unlawful burden upon the ratepayers of petitioner.

The direction of said decision that petitioner should bear the expense of refunding is not unlawful and is proper. However, we are of the opinion that the requirement that petitioner set aside a reserve fund sufficient to make refund to customers is unnecessary and such requirement will be set aside and vacated.


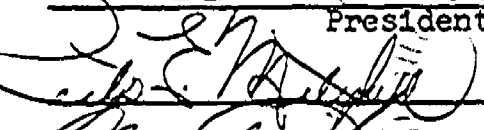
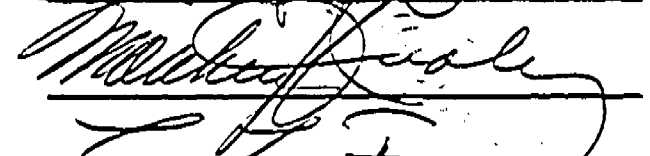

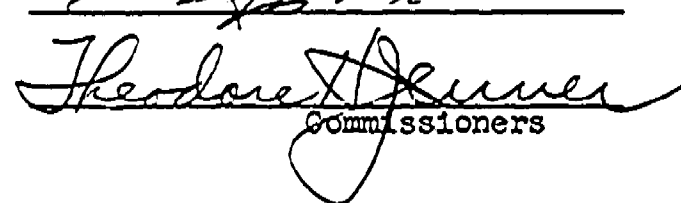
Based upon the foregoing,

IT IS ORDERED that the requirement of Decision No. 58312 that petitioner set up a reserve fund be and the same is hereby set aside and vacated.

IT IS FURTHER ORDERED that, in all other respects, said petition for modification be and the same is hereby denied.

Subject to the modification directed herein, said Decision No. 58312 is affirmed and shall remain in full force and effect.

Dated at San Francisco, California, this 1<sup>st</sup> day of September, 1959.

  
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President  
  
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Commissioners