

**ORIGINAL**Decision No. 67859

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 and propriety of )  
 tariff sheets filed by THE PACIFIC )  
 TELEPHONE AND TELEGRAPH COMPANY )  
 relating to internal service items )  
 required by the Air Defense Semi- )  
 Automatic Ground Environment System. )

Case No. 6950

ORDER MODIFYING DECISION

On July 21, 1964, The Pacific Telephone and Telegraph Company, respondent in the above-entitled case, filed a petition asking the Commission for an order relieving it of the duties imposed by ordering paragraph 2 of Decision No. 61915.

Ordering paragraph 2 of Decision No. 61915 required respondent to "review the costs associated with the provision of California intrastate SAGES service for the year 1961 and file with this Commission by April 30, 1962 the results of its review showing the actually realized revenues, operating expenses, depreciation, taxes, net revenue, investment in plant and depreciation reserve attributable to such intrastate service. Thereafter, periodic cost reviews shall be undertaken by The Pacific Telephone and Telephone Company for such service at three-year intervals, the results similarly to be filed with the Commission until further order."

In compliance with ordering paragraph 2, respondent filed its first report on April 30, 1962. Pursuant to the terms of ordering paragraph 2, the next report reviewing the costs associated with the provision of SAGES service must be filed on or before April 30, 1965.

Respondent's petition for an order relieving it of the duties imposed by ordering paragraph 2 is based upon the following grounds:

1. As indicated in the report filed April 30, 1962, average reportable intrastate SAGES plant in service for the year ended December 31, 1961 was \$363,047 with an associated annual revenue of \$174,082. As of December 31, 1963 the reportable plant investment has decreased to approximately \$145,000 with an associated annual revenue of \$56,400.

The reduction of investment and revenue is due to the de-activation of Beale Air Force Base as a SAGES Direction Center and the de-activation of four of the seven associated auxiliary sites.

2. Beale Air Force Base was used as the master control for determining maintenance expense for all locations concerned. Based on actual maintenance results at Beale Air Force Base, respondent was able to develop maintenance factors applicable to the investment at the auxiliary sites. Because of the de-activation of the Beale Direction Center there is no longer any practical method to determine what purports to be the actual maintenance expense at the auxiliary sites, and therefore there is no practical method of acquiring data necessary to comply with ordering paragraph 2.

Respondent requests that this Commission, without hearing, relieve it from the duties imposed by ordering paragraph 2 of Decision No. 61915, and grant such other relief as the Commission may consider proper in the premises.

The Commission has considered respondent's request and finds that its request should be granted; therefore,

IT IS ORDERED that ordering paragraph 2 of Decision No. 61915 is modified by deleting the last sentence thereof containing the requirement for periodic cost reviews at three year intervals.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 22<sup>nd</sup> day of SEPTEMBER, 1964.

Frederick B. Holdhoff  
President  
John P. Mitchell  
Robert C. Keagy  
George E. Grover  
William A. Bennett  
Commissioners