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Decision No. 77706

ORIGINAL

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 author-)
ity to increase certain intrastate)
rates and charges applicable to)
telephone services furnished within)
the State of California.

Application No. 49142

Investigation on the Commission's
own motion into the rates, tolls,
rules, charges, operations, separa-
tions, practices, contracts, ser-
vice and facilities of The Pacific
Telephone and Telegraph Company.

Case No. 8608

Investigation on the Commission's
own motion into the rates, tolls,
rules, charges, operations, separa-
tions, practices, contracts, ser-
vice and facilities of the tele-
phone operations of certain tele-
phone corporations.

Case No. 8609

Tom C. Carroll and Petitioners,
Complainants,

vs.

California Water and Telephone
Company, General Telephone Company
of California, a corporation and
The Pacific Telephone and Telegraph
Company,

Defendants.

Case No. 8690

ORDER GRANTING REQUEST TO
VACATE DECISION NO. 75371

By Decision No. 74917, dated November 6, 1968, in this pro-
ceeding, the Commission determined just and reasonable rates for The
Pacific Telephone and Telegraph Company (Pacific). One of the issues
raised involved the establishment of uniform state message toll rates

by the inclusion of I-I traffic^{1/} in Pacific's settlements for interchanged traffic. We adopted the position advanced by the California Independent Telephone Association (CITA), the various independent telephone companies (Independents), and the Commission staff that intrastate-wide uniform toll rates were in the public interest and should be established; and that such rates be made applicable to all intrastate message toll service, including I-I traffic (Decision No. 74917, pp. 23-28, printed opn.).

On November 29, 1968, Pacific filed a petition for rehearing on this issue; in particular, our determination that Pacific's rates to its subscribers be increased by \$2 million as its share of the settlement for the I-I toll costs in order to achieve uniform toll rates. An amount of \$400,000 was allocated to be borne by the Independent subscribers (Decision No. 74917, p. 28 printed opn.). The petition asserted that there was no factual basis in the record to support the \$2 million figure allocated to Pacific because the only testimony received on the question was introduced by CITA and constituted only a "guess" for the test year involved. The petition also repeated arguments Pacific had presented in its briefs asserting that the inclusion of I-I traffic in Pacific's settlements with the Independents was unlawful. The petition was opposed by CITA and the Independents.

In Decision No. 75371, dated February 25, 1969, the Commission granted rehearing for the purpose of receiving additional testimony regarding the adequacy of the \$2 million increase in the rates of Pacific's subscribers. We directed that such testimony be presented orally, by exhibit or by stipulation. Oral argument was set for April 9, 1969.

^{1/} The I-I toll business consists of toll traffic routed over lines of independent telephone companies between independent company points.

Thereafter, Pacific, CITA and various Independents notified the Commission that they had commenced negotiations on this matter, and they requested a postponement of the rehearing. We granted this request, and several subsequent requests.

On May 4, 1970, Pacific notified the Commission by letter that it and the Independents had arrived at figures acceptable to all concerned with this matter, and that as a result the adequacy of the \$2 million increase would not be an issue at the rehearing. Pacific stated, however, that it wished to present oral argument concerning the lawfulness of Decision No. 74917 on this issue.

By letter dated August 25, 1970, Pacific has notified the Commission that it, the Independents, and the Commission staff are in agreement that there is currently no necessity for the Commission to resolve the legal issue asserted in the petition for rehearing. Accordingly, Pacific requests that Decision No. 75371 be vacated without prejudice to the issues raised therein.

After consideration, the Commission concludes that the request should be granted.

IT IS ORDERED that Decision No. 75371 is vacated without prejudice to the legal issues asserted therein.

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

Dated at Los Angeles, California, this 15th day of SEPTEMBER, 1970.

Commissioner A. W. GALEY, being necessarily absent, did not participate in the disposition of this proceeding.
Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

[Signature]
Chairman

William J. [Signature]

[Signature]
Commissioners