

ORIGINAL

Decision No. 81782

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's
own motion into the rates, tolls,
rules, charges, operations, practices,
contracts, service and facilities of
THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY.

Case No. 7409
(Filed July 26, 1962)

O P I N I O N

The Pacific Telephone and Telegraph Company (Pacific), by letter dated July 2, 1973, transmitted results of operations reports in compliance with Ordering Paragraphs 4 and 5 of Decision No. 71575. In addition, Pacific requested that it be relieved of the requirements of Ordering Paragraphs 3, 4, and 5 with certain exceptions.

Ordering Paragraphs 3, 4, and 5 are as follows:

3. Respondent shall prepare a study of separated costs for the Orange County and Sacramento extended areas and shall file same, together with its rate recommendations, with this Commission on or before June 30, 1967, and annually thereafter.
4. Pacific shall prepare a study of separated costs and a rate study for each of the groupings of exchanges outside of extended areas, and file same, together with its rate recommendations, with this Commission on or before June 30, 1968, and not less than once every five years thereafter.
5. Pacific shall prepare a study of separated costs and a rate study for each of the extended areas outside of the five metropolitan areas, and file same, together with its rate recommendations, with this Commission on or before June 30, 1968, and not less than once every five years thereafter.

Pacific's letter states that the reports called for in Ordering Paragraph 3 are now included with reports sent in compliance with the Commission's letters of February 19, 1946, and June 11, 1968; that the rate recommendations called for in Ordering Paragraphs 3, 4, and 5 are included in the company's testimony and exhibits submitted in Application No. 53587; and that in view of the establishment of statewide uniform exchange rates, the results of operations reports and rate recommendations for these various exchange groupings and extended areas would appear to serve no useful purpose. Pacific suggests that the results of operations studies for the Orange County and Sacramento extended areas could continue to be furnished with the reports sent in compliance with the Commission's letters of February 19, 1946 and June 11, 1968.

The statewide uniform exchange rate structure recently established does not apply to extended areas outside of the five largest metropolitan areas. The "outside" extended areas have rate differentials above the uniform statewide level pursuant to the rate formula adopted in Decision No. 77311. In view of these significant exceptions to the rate pattern, it appears advisable to continue to receive results of operations reports for these categories of exchanges. However, certain modifications in future studies are appropriate. The groupings of exchanges outside of extended areas required by Ordering Paragraph 4 no longer exist. In addition, rate recommendations of Ordering Paragraphs 3, 4, and 5 are no longer necessary.

Accordingly, we find that Ordering Paragraphs 3, 4, and 5 of Decision No. 71575 should be modified as ordered below.

IT IS ORDERED that Ordering Paragraphs 3, 4, and 5 of Decision No. 71575 are modified to read as follows:

3. Pacific shall prepare studies of separated costs for the Orange County and Sacramento extended areas, and shall file same with this Commission on or before June 30, 1974, and annually thereafter.

4. Pacific shall prepare a study of separated costs for the combined exchanges outside of extended areas and file same with this Commission on or before June 30, 1978, and not less than once every five years thereafter.
5. Pacific shall prepare a study of separated costs for the combined extended areas outside of the five largest metropolitan areas and file same with this Commission on or before June 30, 1978, and not less than once every five years thereafter.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 21st day of AUGUST, 1973.

William L. Stearns
President
William Sproule, Jr.
William L. Stearns
William L. Stearns
Commissioners

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.