

ORIGINAL

Decision No. 84037

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE
AND TELEGRAPH COMPANY, a corporation
for a tariff for 770A Package II Dial
Private Branch Exchange Service.

Application No. 55276
(Filed October 29, 1974)

OPINION AND ORDER DENYING
REHEARING AND STAY

Petitioners David L. Wilner and Consumers Lobby Against Monopolies, hereinafter collectively referred to as CLAM, seek rehearing and a stay of Decision No. 83761, issued November 26, 1974. By Decision No. 83761 the Commission authorized the Pacific Telephone and Telegraph Company (PT&T) to establish, on an interim basis and subject to refund, a tariff establishing rates for 770A PBX telephone service. Petitioner sets forth several grounds for rehearing all of which relate to the fact that the Commission has acted prior to a formal hearing. We are of the opinion that good cause for rehearing and stay have not been shown and we therefore deny the request for rehearing and stay.

This controversy, involving PT&T's 770A PBX service, originated more than two years ago when PT&T first offered 770A PBX service under Commission authorized contracts at rates and charges equivalent to those in Schedule Cal. P.U.C. No. 12T Series 300. More recently, PT&T has offered this service under contracts at rate levels higher than those in Series 300. The result is that PT&T customers were paying different rates for identical service. This discrimination in service cannot be allowed to continue during the course of a lengthy hearing on the propriety of proposed rates and a large number of additional issues.

For this reason, the Commission permitted the filing of a tariff for this service by PT&T, provided it agreed to refund any amounts found to be excessive after hearing. We have stated in the past that the risk in granting such interim increases is lessened by the practical remedy of refund. (See Pac. Tel. & Tel. Co., 62 Cal. P.U.C. 775, 870-871 (1964) aff'd. in part 62 Cal.2d 634 (1965).)

By Decision No. 83822 issued December 10, 1974, the Commission severed the instant proceeding from PT&T's Application No. 55214 (requesting general offset relief because of increased wage, salary, and associated expenses) and Case No. 9832 (an order instituting investigation into PT&T's rates, tolls, rules, charges, operations, costs, separations, intercompany settlements, contracts, service, and facilities). By the same decision we consolidated the instant proceeding with Application No. 54861 concerning contracts for 770A PBX service; with Case No. 9838, which is an investigation on the Commission's motion into the procedures followed by PT&T in its attempts to establish a tariff for 770A PBX service; and with Case No. 9794, a complaint case related to 770A PBX service.

Hearings in the instant proceeding will take place on a consolidated basis. We wish to make clear that the burden of demonstrating that the proposed tariff rates are justified and reasonable will remain with PT&T in the consolidated proceedings.

IT IS ORDERED that rehearing and stay of Decision No. 83761 is hereby denied.

IT IS FURTHER ORDERED that public hearing in the consolidated proceedings shall be held at a time and place hereafter to be set.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 28th
day of JANUARY 1975.

Vernon L. Sturgeon
President
William J. Sturgeon
[Signature]

Commissioner LEONARD ROSS

Present but not participating.

Commissioners