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ORIGINALDecision 84 10 097 OCT 17 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of General Telephone)
 Company of California, a corpora-)
 tion, for authority to increase)
 certain intrastate rates and)
 charges for telephone services.)

Application 83-07-02
 (Filed July 1, 1983)

And Related Matters.)

OII 83-08-02
 (Filed August 3, 1983)

Case 82-10-08
 (Filed October 28, 1982)

ORDER MODIFYING DECISION 84-07-108
 AND DENYING REHEARING

On July 18, 1984, the Commission issued Decision (D.) 84-07-108, the second interim decision in the latest general rate increase proceeding for General Telephone Company of California (General). Both General and Telephone Answering Services of California (TASC) filed timely applications for rehearing of this decision. We have reviewed all of the allegations raised therein, and are of the opinion that no good cause for rehearing has been shown. However, there are two areas which our further review has indicated require clarification or modification. Those areas are addressed below. In a separate order, also issued today, we address several mathematical errors which General has alleged were made in D.84-07-108, as well as issues raised by a petition for modification filed by AT&T Communications.

First, as we recognized in D.84-07-108, there presently may be some inconsistent treatment of the materials and supplies

(M&S) account among the different telephone utilities. We will adhere to our decision to remove long-term construction related M&S from rate base; however, we reiterate that staff should take another look at this issue in General's next general rate case.

Secondly, we are of the opinion that, as pointed out by TASC, General's proposal to combine the premises central office line charge with the central office activity charge unfairly imposes a work-related premises charge on certain customers whose orders do not require work on the premises. We will, therefore, create a separate central office activity charge of \$22.75 for orders involving only secretarial lines. We will retain the structure proposed by General for other central office activity orders; however, to make up for the estimated loss in revenues from those customers who are expected to pay only the \$22.75 charge, we will increase the business central office activity charge to \$30.75. Therefore,

IT IS ORDERED that D.84-07-108 is modified as follows:

1. New Conclusion of Law 4a is added to read:

"A separate central office activity charge should be created applicable only to secretarial line orders, which will not include a component for work done on the customer's premises."

2. New Ordering Paragraph 28 is added to read:

"Within 15 days of the effective date of this order, General shall file revised tariffs which establish a separate charge of \$22.75 applicable only to orders for secretarial line changes. General may also increase its business central office activity charge to \$30.75."

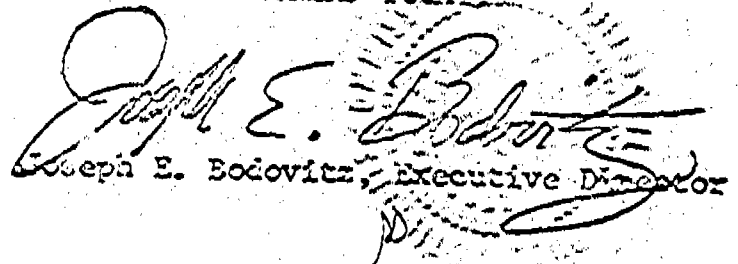
IT IS FURTHER ORDERED that rehearing of D.84-07-108 as modified above is hereby denied.

This order is effective today.

Dated OCT 17 1984, at San Francisco,
California.

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


Joseph E. Bodovitz, Executive Director