

L/JTP/lmz *

Decision 88 10 037 OCT 14 1988**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of General Telephone)
 Company of California, a California)
 corporation (U 1002 C), for authority)
 to increase and/or restructure)
 certain intrastate rates and charges)
 for telephone services.)

Application 87-01-002
 (Filed January 5, 1987)

Investigation on the Commission's own)
 motion into the rates, tolls, rules,)
 charges, operations, costs separations)
 practices, contracts, service and)
 facilities of GENERAL TELEPHONE)
 COMPANY OF CALIFORNIA, a California)
 Corporation; and of all the telephone)
 corporations listed in Appendix A,)
 attached hereto.)

I.87-02-025
 (Filed February 11, 1987)

ORDER GRANTING STAY OF ORDERING PARAGRAPH 12
OF D.88-08-061

On September 13, 1988, GTE California, Inc. (General) filed a Petition for Stay of Ordering Paragraph 12 of Decision (D.) 88-08-061. Ordering Paragraph 12 required General to reduce its revenue requirement to account for the effects of interest synchronization for 1987. In its Petition, and in an application for rehearing it filed on October 7, 1988, General alleges that Ordering Paragraph 12 violates the rule against retroactive ratemaking.

In response to a request from General, the Commission's Executive Director has already granted General an extension of time to comply with Ordering Paragraph 12, pending Commission action on its Petition for Stay. Thus, granting a stay would not require any change in General's current rates. Furthermore, General indicates that it is prepared to continue accruing

interest on the disputed sum if a stay is granted. Continued accrual of interest would protect ratepayers during the pendency of any stay. Finally, no one has filed any opposition to General's request for a stay.

We have carefully considered all the arguments raised in General's Petition for Stay and the circumstances present here and are of the opinion that we should exercise our discretion under Public Utilities Code §1735 to grant a stay of Ordering Paragraph 12 pending our consideration of General's application for rehearing. We are also of the opinion that General should continue to accrue interest on the disputed sum, at the rate provided in Ordering Paragraph 12, during the pendency of this stay.

Therefore, good cause appearing,

IT IS ORDERED that:

1. Ordering Paragraph 12 of D.88-08-061 is stayed pending further order of this Commission.
2. General shall continue to accrue interest on the disputed sum at the rate provided in Ordering Paragraph 12.

This order is effective today.

Dated OCT 14 1988, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
C. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

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


Victor Weissert, Executive Director

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In response to a request from General, the Commission's Executive Director has already granted General an extension of time to comply with Ordering Paragraph 12, pending Commission action on its Petition for Stay. Thus, granting a stay would not require any change in General's current rates. Furthermore, General indicates that it is prepared to continue accruing