

L/cdl *

Decision 90-12-036

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Pacific Bell (U 1001 C), a)
corporation, for authorization to)
increase rates due to revision of)
the expense limit for certain)
items of plant costing \$500 or)
less.)

ORIGINAL
Application 90-02-050
(Filed February 23, 1990)

ORDER DENYING PACIFIC BELL'S APPLICATION
FOR REHEARING OF Decision 90-08-029

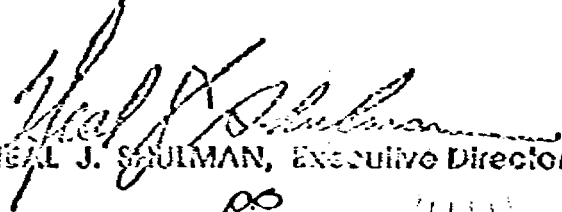
An application for rehearing of Decision 90-08-029 (D. 90-08-029) has been filed by Pacific Bell (Pacific). This application for rehearing asserts that D.90-08-029 should be modified to make the effective date of the rate relief ordered in that Decision January 1, 1989. Pacific asserts that this change should be made because the Commission in Resolution F-626 ordered that Pacific effective January 1, 1989 change the accounting of the expense limit to \$500 for items currently subject to a \$200 expense limit. Pacific contends that it is unfair for the rate relief that results from this accounting change not to mirror the accounting change. While there are certain equities in favor of Pacific's position, the Commission is constrained from ultimately granting Pacific's Application because of concern that such an action would violate the prohibition against retroactive ratemaking. Therefore the Commission would encourage Pacific to file a Petition for Modification of Resolution F-626 and request that the effective date of the revised expense limit be changed to coincide with the effective date of rate relief for these accounting changes, August 8, 1990. Good cause not appearing, Pacific's Application for Rehearing is denied.

IT IS ORDERED that:
Pacific Bell's Application for Rehearing is denied.
This order is effective today.
Dated December 6, 1990 at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Stanley W. Hulett
being necessarily absent, did not
participate.

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


NEAL J. SCHULMAN, Executive Director