

ORIGINAL

Decision 82 02 088

FEB 17 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GENERAL TELEPHONE )  
COMPANY OF CALIFORNIA, a corpora- )  
tion, for modification of D92366, )  
for removal of service penalty )  
and adjustment of 2.13% to billing )  
surcharge. )  
\_\_\_\_\_ )

Application 61044  
(Filed November 6, 1981)

O P I N I O N

General Telephone Company of California (General) seeks an order modifying Decision (D.) 92366 in Application (A.) 59132 for a general rate increase by terminating the service penalty reduction of 0.5% in return on common equity imposed on General by D.92366.

Opposition to granting the requested relief was filed by the Cities of Santa Monica and Los Angeles, by the County of Los Angeles, and by the Commission staff.

Ordering Paragraph 2 of D.92366 reads as follows:

- "2. The Commission may increase General's rates not earlier than December 1, 1981 by \$7.4 million if General files a petition for modification of this order and demonstrates that the service indices in Appendix D are being met. General must also demonstrate that reporting units serving 90 percent of its subscribers have dial service indices above the reporting level. The \$7.4 million rate increase would be made to the billing surcharge." (Mimeo. page 168.)

General alleges that as of the filing of the application, it is meeting or exceeding the December 1981 objective for all of the specified measurements except for conversion of public telephones to single-slot coin telephones and that it anticipates meeting the objective level for this item by year-end 1981. Under these circumstances General believes that the requested relief should be granted.

This Commission presently has under submission General's A.60340 for a general rate increase. The decision for this matter should be forthcoming in the near future. The quality of service rendered by General as perceived by its customers and as measured by various reporting standards was by far the most controversial issue raised in the proceedings. The decision in that matter will address the necessity or lack of necessity of service penalties.

Because of the proximity of a decision dealing with this issue, we need not separately consider the removal of the D.92366 service penalty as requested by General.

Findings of Fact

1. D.92366 imposed a service penalty of 0.5% in the return on common equity which, in accordance with the decision, could be terminated no earlier than December 1, 1981 provided General demonstrates that the service indexes are being met.

2. This Commission has under submission A.60340 for a general rate increase. A decision on this matter should be forthcoming in the not too distant future.

3. One of the major issues to be addressed by this decision is the quality of service being provided by General, including the necessity or lack of necessity of a service penalty.

4. Because of the proximity of the decision dealing with the necessity of a service penalty, we need not separately consider the removal of the D.92366 penalty.

5. Under these circumstances this application should be denied.

Conclusion of Law

Application 61044 should be denied.

O R D E R

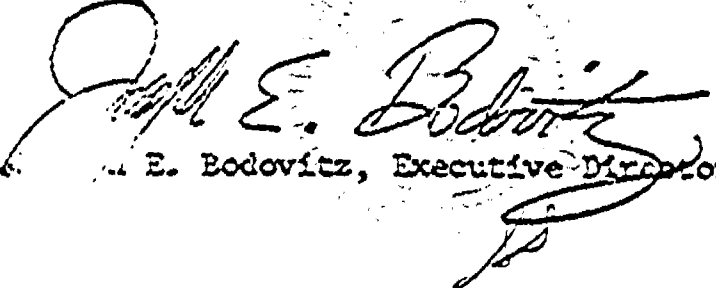
IT IS ORDERED that Application 61044 is denied.

This order becomes effective 30 days from today.

Dated FEB 17 1982, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. GREW  
Commissioners

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

  
John E. Bodovitz, Executive Director