

Decision 82 02 131

FEB 17 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
 own motion into the method to be)
 utilized by the Commission to)
 establish the proper level of) OII 24
 income tax expense for ratemaking)
 purposes of public utilities and)
 other regulated utilities)

ORDER GRANTING LIMITED REHEARING
OF DECISION (D.) 93848

An application for rehearing of D. 93848 has been filed by the City and County of San Francisco together with the Cities of Los Angeles and San Diego (Cities). Responses to that application, asking that rehearing be denied, have been filed by The Pacific Telephone and Telegraph Company, General Telephone Company of California and Pacific Gas and Electric Company.

We have carefully considered each and every allegation of error in the Cities' application and are of the opinion that good cause for granting limited rehearing has been shown. Therefore,

IT IS ORDERED that:

Rehearing of D. 93849 is granted. Said rehearing shall be limited to receipt of evidence and argument on the issue of whether current ratemaking procedures provide an adequate method of reflecting the nuances of normalization so that use of the AAA and AA methods is not required for purposes of the Economic Recovery Tax Act of 1981. The existing briefing schedule on other issues shall be adhered to; this rehearing will be handled separately.

The staff is hereby directed to prepare and introduce a study comparing the ratemaking effects of conventional

normalization under current procedures with the use of AAA and AA methods as they would apply to different classes of utilities.

Except as granted above, rehearing of D. 93848 is denied.

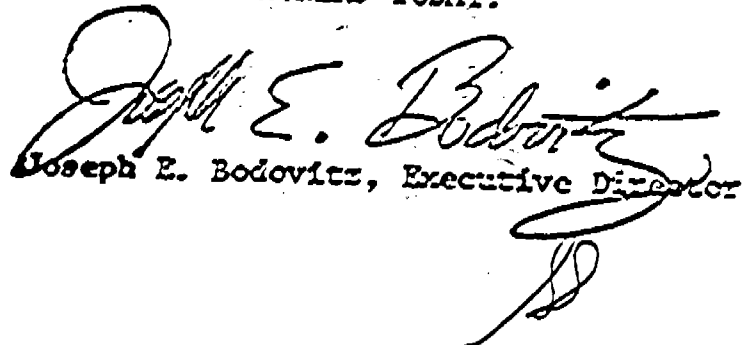
This order is effective today.

Dated FEB 17 1982 at San Francisco, California.

RICHARD D GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

Commissioner John E. Bryson,
being necessarily absent, did
not participate.

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


Joseph E. Bodovitz, Executive Director