

ORIGINAL

Decision 83 12 018 DEC 7 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE )  
AND TELEGRAPH COMPANY for authoriza- )  
tion to transfer specified properties )  
to PacTel Directory. )

Application 83-09-19  
(Filed September 7, 1983)

ORDER OF DISMISSAL

This application sought our authority to transfer white page and yellow page directory services from applicant to a new company known as PacTel Directory.

A prehearing conference was held on the first available date, October 7, 1983. At that time, counsel for Pacific strenuously argued for an ex parte order prior to the end of the year, due to financial considerations. Staff counsel and counsel for Toward Utility Rate Normalization argued that there were critical issues associated with the transfer of so large an asset from applicant to another company.

The Administrative Law Judge determined that hearings were necessary and scheduled them for dates in February, 1984.

On November 2, 1983, applicant filed a pleading withdrawing the application "without prejudice."

By letter to the Executive Director from The Pacific Telephone and Telegraph Company's (Pacific) Vice President, Regulatory Matters, which is marked as Exhibit 1 and made a part of the record in the matter, Pacific states in part:

"By withdrawing this application, we intend to leave the existing Directory Advertising operation of Pacific as a part of the Bell Operating Company, so there will be no change in accounting for revenues, expenses, etc., from our present system. We do intend to form a separate publishing subsidiary of the holding company to pursue other new publishing activities outside of the scope of the traditional directory arena." (Emphasis in the original.)

We support Pacific's decision to keep the existing Directory operation as part of Pacific Bell, the Operating Company. However, our concerns extend beyond maintaining the current level of contribution to the Operating Company. The central issue is whether the ratepayers will receive the benefits of profits derived from information and data that are currently an integral part of the regulated telephone operations, which costs are borne by the ratepayers. The creation of a separate subsidiary to develop new ventures outside of the scope of traditional directory activities will create revenues for Pacific Telesis, the holding company. We intend to monitor carefully the progress of these new ventures to determine their relationship to traditional directory activities. Pacific shall cooperate with our staff to provide any materials pertinent to determining the role that the existing Directory Advertising operation plays in assisting the start-up of other publishing subsidiaries.

IT IS ORDERED that this application is dismissed without prejudice to applicant to seek similar relief in a subsequent application.

This order is effective today.

Dated DEC 7 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO

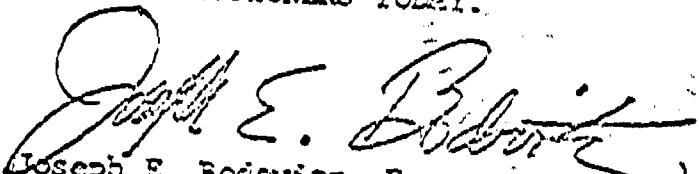
PRISCILLA C. CREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

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

  
Joseph E. Bodovitz, Executive Director