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Decision No. <u>86958</u>

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of The Pacific Telephone and Telegraph Company, a corporation, for telephone service rate increases to cover increased costs in providing telephone service.

Investigation on the Commission's own motion into the rates, tolls, rules, charges, operations, costs, separations, inter-company settlements, contracts, service, and facilities of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, a California corporation; and of all the telephone corporations listed in Appendix A, attached hereto. Application No. 55492

Case No. 10001

ORDER GRANTING PARTIAL STAY OF DECISIONS NOS. 86593 AND 86937 PENDING JUDICIAL REVIEW

The Commission has considered each and every allegation of the petition of The Pacific Telephone Company (Pacific) for stay of Decision No. 86593 and Decision No. 86937 until completion of judicial review and is of the opinion that the stay should be granted.

If the Commission's order reducing rate of return in Decision No. 86593 were to be annulled by the California Supreme Court, we could not restore to Pacific the revenues lost. On the other hand, the refund provision in the following order will protect the ratepayers in the event that the Commission's rate reduction order is upheld. On balance the equitable course of action is to grant the stay requested by Pacific. Therefore.

IT IS ORDERED that:

1. Ordering Paragraph No. 1 of Decision No. 86593 is suspended pending the completion of judicial review of the rate reduction effected thereby;

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2. Initial residence service order charges shall be collected hereafter subject to partial refund, as described in Decision No. 86863, with interest at 7% per annum;

3. Pacific shall maintain adequate records of the charges collected pursuant to ordering paragraph No. 2 in order to facilitate refunds thereof;

4. In all other respects Decision No. 86593, as modified by Decision No. 86937, shall continue in full force and effect.

The effective date of this order is the date hereof.

	Dated	at		San D	iego	, California, this <u>843</u>
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