

ORIGINAL

Decision No. 88571 MAR 7 1978

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.)

Application No. 55492
 (Filed February 13, 1975;
 amended April 19, 1975 and
 January 16, 1976)

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.)

Case No. 10001
 (Filed November 12, 1975)

ORDER MODIFYING DECISION NO. 88232
AND DENYING REHEARING

Petitions for rehearing of Decision No. 88232 having been filed by The Pacific Telephone and Telegraph Company and the City of San Diego, and the Commission having considered each and every allegation thereof and being of the opinion that said Decision should be modified but that good cause for rehearing has not been shown,

IT IS HEREBY ORDERED that footnote 26 on page 119 (mimeo) of Decision No. 88232 be amended to read as follows:

26/ In view of the fact that we are awarding rate relief of \$12.8 million, the discussion of a zero-increase rate spread might seem academic. However, the discussion is necessary because of outstanding issues concerning federal taxation, Bell System license contract, and interstate-intrastate separations methods, which could result in a downward rate adjustment.

IT IS FURTHER ORDERED that the petitions for rehearing filed herein are otherwise denied.

A. 55492

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 7th day of
MARCH, 1978.

Robert Bateman
President

Vernon L. Sturgeon
Charles D. Goodle
Clare J. Deitch
Commissioners

Commissioner William Symons, Jr.

Present but not participating.