

Decision 93896 DEC 30 1981

ORIGINAL

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 authority to increase certain intrastate rates and charges applicable to telephone services furnished within the State of California.

Application 53587
(Filed September 19, 1972)

And Related Matters.

(Re Tax Reserve Matters)

Application 51774
Application 55214
Case 9503
Case 9802
Case 9832
Application 51904
Application 53935
Case 9100
Case 9504
Case 9578

and

In the Matter of the Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, a corporation, for authority to increase certain intrastate rates and charges applicable to telephone services furnished within the State of California.

Application 59849
(Filed August 1, 1980)

And Related Matters.

Application 59269
Application 59855
Application 59858
Application 59888
OII 63
OII 81

A.53587, et al. C/kn
A.59849, et al.

SUPPLEMENTAL OPINION ON REFUNDS

Decision 91337, in Application 53587, et al., ordered The Pacific Telephone and Telegraph Company (Pacific) to refund approximately \$381 million of overcollection in rates related to accelerated tax depreciation for the refund period from August 1974 to February 13, 1980. This refund has now been completed, but Pacific has reported, by a September 23, 1981 memorandum, that \$5,946,027 of the refund is unrefundable due to the return of checks that were undeliverable. By another memorandum of September 23, 1981, Pacific has reported that it has unrefundable amounts of \$38,840 remaining from a refund of six months of an annual \$30.1 million increase in key telephone service rates ordered refunded by Decision 92717 in Application 59849, et al. The total of these amounts is \$5,984,867 and is still accruing interest.

The amounts of the two unrefundable portions are relatively small in relation to the amount of the refunds ordered. A refund of equal amount made to all current customers is the least-cost method under current billing procedures. We believe such a refund complies with the refund provisions of Section 453.5 of the Public Utilities Code.

At the request of the Communications Division and the Revenue Requirements Division, Pacific has furnished a proposed refund plan for distributing the unrefunded amounts on the basis of each customer receiving an equal amount. This refund plan is Appendix A hereto in which the phrase "plus interest" has been added to the \$5,984,867 amount. The following order should be effective today to expeditiously refund the amounts due customers.

Findings of Fact

1. The amount of \$5,984,867 remains unrefunded from refunds ordered by Decisions 91337 and 92717.
2. Refunding an equal amount to all customers is the most expeditious and least costly method of refunding an amount of this relatively small magnitude.

Conclusion of Law

A refund pursuant to Appendix A will comply with the refund provision of Section 453.5 of the Public Utilities Code and is just and reasonable.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

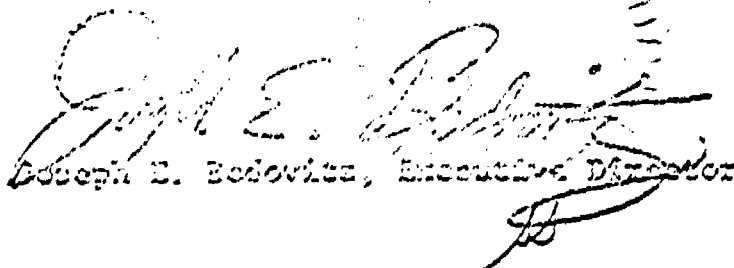
1. The Pacific Telephone and Telegraph Company shall refund \$5,984,867 plus interest to the effective date of this order at the Commercial Paper Rate (3 months prime), as ordered in Decision 91337 and Decision 92717, pursuant to the refund plan in Appendix A.
2. The Executive Director shall serve a copy by mail of this order on the State Controller.

This order becomes effective 30 days from today.

Dated DEC 30 1981, 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.


Joseph E. Bodovitz, Executive Director

THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY
REFUND PLAN FOR UNDISBURSED AMOUNTS FROM
CPUC DECISIONS 91337 and 92717

A. Refund Distribution

The refund amount will be distributed to all current customers with exchange service on an equitable pro rata basis. For the purpose of this refund current customers are those receiving service on and a minimum of one month prior to the refund distribution date.

B. Refund Calculation

1. Total Refund: \$5,984,867 plus interest as ordered by Decision 93896
2. Individual refunds will be calculated as follows:

$$\text{Individual Refund} = \frac{\text{Total Refund}}{\text{Total Eligible Customer Accounts}}$$

C. Manner of Refund

All refunds will be made by credits on the bill.

D. Timing

Refunds will commence within 90 days of a refund order approving this plan with the refunds to be complete within one billing cycle thereafter.

E. Reporting Requirements

Pacific will file a report with the Commission within 90 days of completion of the refunds. The report will contain the following information:

1. The total refundable amount due customers.
2. The total amount credited to customers.
3. The total amount which remains undisbursed (1-2).