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MAIL DATE
9/24/96

Decision 96-09-101 September 20, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of GTE California Incorporated for)
Rehearing of Resolution T-15695)

ORIGINAL

A.94-12-031
(Filed December 30, 1994)

ORDER DENYING REHEARING OF RESOLUTION T-15696

An application for Rehearing of Resolution T-15696 (December 21, 1994) was filed by GTE California Incorporated (GTEC). In Resolution T-15696 (Resolution) we ordered GTEC to decrease its authorized annual revenue by \$12.054 million as a result of its 1995 annual price cap filing in Advice Letter (AL) No. 5572. As part of this order we rejected GTEC's arguments with regard to the USOA Turnaround adjustment. We noted that we did not agree that additional USOA adjustments should not be made nor that GTEC's position met the criteria established in D.90-10-039. At the time of our decision in Resolution T-15696, GTEC had not requested disposition of the USOA Turnaround as directed by D.90-10-039. Accordingly, we found that GTEC's request to discontinue step down of the USOA Turnaround should be denied. (Resolution, Finding of Fact No. 6.)

In its application for rehearing, GTEC asks the Commission to reconsider the Resolution and to add language that would allow GTEC to recover the \$11.527 million revenue decrease in the future if GTEC established by subsequent application that it has fully met the obligation to provide ratepayer benefits due to the USOA. (Application, pp. 1-2.) GTEC asks the Commission to modify the decision to make the revenue decrease conditional. (Application, p. 2.)

Public Utilities Code Section 1732 provides that an application for rehearing shall set forth specifically "the

grounds on which the applicant considers the decision or order to be unlawful." GTEC has not alleged legal error in its application, and no legal error has been demonstrated. Accordingly, the application for rehearing is denied because no legal error has been alleged or demonstrated.

Resolution T-15696 is closely related to Resolution T-15695. In reviewing GTEC's application, we were mindful of the arguments raised by Pacific Bell in its application for rehearing of Resolution T-15695. We conclude that if GTEC had alleged legal error, as Pacific Bell alleged in its application for rehearing, we would have denied GTEC's application on the same grounds that we denied the application of Pacific Bell.

No further discussion is required of Applicant's allegations. Accordingly, upon reviewing each and every argument raised in support of rehearing raised by Applicant, we conclude that sufficient grounds for rehearing of Resolution T-15696 have not been shown.

Therefore, **IT IS ORDERED:**

That the application for rehearing of Resolution T-15696 filed by GTEC is denied.

This order is effective today.

Dated September 20, 1996, at San Francisco, California.

P. GREGORY CONLON
President
DANIEL Wm. FESSLER
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
Commissioners

Commissioner Josiah L. Neep, being necessarily absent, did not participate.