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ORIGINAL

Decision No. 49629

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 establish rates for extended)
service in the San Ysidro exchange)
to withdraw and cancel present rates)
for local exchange service now in)
effect in the San Ysidro exchange and)
to cancel and withdraw message toll)
telephone rates now applicable between)
San Ysidro and exchanges within the)
proposed local service area for San)
Ysidro.)

Application No. 35009

OPINION AND ORDER

By the above-entitled application filed on December 30, 1953, The Pacific Telephone and Telegraph Company seeks authority to (1) file and make effective rates for extended service in the San Ysidro exchange, San Diego County, (2) to cancel and withdraw present rates for local exchange service now in effect in San Ysidro, (3) to expand the local service area of extended service offerings in the Coronado, Chula Vista, National City, and San Diego exchanges to include San Ysidro exchange, and (4) to cancel and withdraw message toll telephone rates now applicable between San Ysidro and the exchanges of Coronado, Chula Vista, National City, and San Diego.

Request for the inclusion of San Ysidro exchange within the San Diego extended area was made by representatives of the San Ysidro Chamber of Commerce at the hearing on September 7, 1951 on Application No. 32640 of The Pacific Telephone and Telegraph

Company for authority to increase rates. Following such request, Pacific Company amended its Application No. 32640 to include the offering of extended service to all customers in San Ysidro exchange at such time as it is able to do so, at rates to be fixed at an appropriate future date by the Commission. In ordering Paragraph 2 of Decision No. 46270, dated October 8, 1951, in Application No. 32640, the Pacific Company was authorized and directed to introduce extended service in the San Ysidro exchange as proposed in the application as amended.

Applicant states that it has proceeded with the necessary engineering and construction in conformity with plans for introducing extended service in San Ysidro and has established an in-service date of March 1, 1954. Under applicant's plans, present rates for local service would be cancelled coincident with the establishment of extended service rates for San Ysidro. The present local service rates permit calling, without toll charges, to approximately 500 stations receiving service from the San Ysidro exchange only. The proposed extended service rates for San Ysidro permit calling, without toll charges, not only to stations receiving service from the San Ysidro exchange but also to stations receiving service from the Coronado, Chula Vista, National City, and San Diego exchanges, or to approximately 166,700 stations. A comparison of present local rates for basic services with the proposed extended service rates is set forth

on Exhibits B and C of the application and may be summarized as follows:

	Rate per Month	
	Present Local Service	Proposed Extended Service
<u>Residence Service</u>		
Individual line flat rate	\$3.80	\$ 4.30
Two-party line flat rate	3.25	3.25
Four-party line flat rate	2.70	2.70
Suburban ten-party line flat rate	3.20	3.20
<u>Business Service</u>		
Individual line flat rate	6.00	12.50
Individual line message rate	-	4.25 (65) 4¢
Two-party line flat rate	4.75	9.00 ¢
Suburban ten-party line flat rate	4.50	5.50
Commercial PBX trunks:		
Flat rate - each	9.00	18.75
Message rate - 1st two	-	4.25
each additional	-	2.00
Hotel PBX trunks:		
Flat rate - each	9.00	18.75
Message rate	-	#
Semi-public coin box	.75 plus .20 per day	1.25 plus .24 per day

¢ Interim service to be withdrawn when facilities for business individual line message rate service become available.

Trunks sufficient to meet the traffic demand will be furnished by the company without additional charge to the subscriber.

The proposed rates for extended service in San Ysidro exchange correspond to the rates in effect in the suburban exchanges in the existing San Diego extended area. In addition, applicant proposes to establish a rate for extended business two-party line flat rate service in San Ysidro on an interim basis until message rate equipment can be installed to enable the provision of extended business individual line message rate service in lieu of the extended business two-party line flat rate service. Applicant expects that such message rate equipment will be available by January 1, 1955.

Under the extended service rates proposed in this application for the San Ysidro exchange, increases in exchange rates

would result for all types and grades of business service and for residence individual line flat rate service. The extended service rates proposed in this application for the other grades of residence service would be at the same level as are presently effective for local service. It should be pointed out, however, that The Pacific Telephone and Telegraph Company in Application No. 33935 is seeking higher rates on a state-wide basis. Typical rates being sought by the Pacific Company in Application No. 33935 for San Diego suburban exchanges, for example, are \$5.85 for residence individual line service, \$3.60 for residence four-party line service, and \$14.25 for business individual line flat rate service.

Coincident with the introduction of San Ysidro extended service, the local service area of extended service offerings in the Coronado, Chula Vista, National City, and San Diego exchanges are proposed to be expanded to include the San Ysidro exchange and the presently effective message toll telephone rates between these exchanges and San Ysidro are proposed to be cancelled and withdrawn. The station day initial period message toll telephone rates which are proposed to be cancelled over said toll routes are as follows:

<u>Toll Route</u>	<u>Station Day Initial Period Rate</u>
San Ysidro - Coronado	\$0.15
San Ysidro - Chula Vista	.10
San Ysidro - National City	.10
San Ysidro - San Diego	.15

The application estimates that the proposed increases in the exchange rates in the San Ysidro exchange would result in an annual revenue increase of \$10,600, which would be offset by an estimated annual decrease in toll charges of \$43,900. Thus, the over-all effect of the plan would be to decrease charges to subscribers by approximately \$33,300 annually. The applicant further estimates that under this plan the company will experience a net

annual expense saving of \$30,300 including the annual charge effect on plant.

By letter dated January 26, 1954, which is in the file in this proceeding, The Pacific Telephone and Telegraph Company advised that subsequent to the filing of this application, the applicant interviewed all the San Ysidro subscribers whose rates for extended service as proposed in the application would be higher than the rates for the local exchange service they are now receiving. Of the 134 San Ysidro services who would receive increases, 113 of the services signed application cards for extended service. The following summarizes the status of the total 404 San Ysidro services:

	<u>Services</u>
Application cards signed	113
Not able to contact or no authority to sign	12
Declined to sign	9
Total services with increases	<u>134</u>
Total services without increases	<u>270</u>
Total San Ysidro services	404

The Commission has considered the above-entitled matter and is of the opinion that the establishment of extended service in the San Ysidro exchange as proposed should improve service and will not be adverse to the public interest, that a public hearing thereon is not necessary, and that the application should be granted as herein provided.

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges herein authorized are justified and that the present rates, in so far as they differ from those herein authorized, are for the future unjust and unreasonable; therefore,

IT IS HEREBY ORDERED as follows:

1. The Pacific Telephone and Telegraph Company is authorized to file in quadruplicate with the Commission after the effective date of this order, in conformity with General Order No. 96, the rates for extended service set forth in Exhibit C

attached to the application and as outlined above, and after not less than five days' notice to this Commission and to the public, to make said rates effective coincident with the establishment of extended service in the San Ysidro exchange.

- 2. The Pacific Telephone and Telegraph Company is authorized to cancel its rates for local service in the San Ysidro exchange and its message toll telephone rates between San Ysidro and Coronado, Chula Vista, National City, and San Diego, coincident with the establishment of extended service in the San Ysidro exchange.
- 3. The Pacific Telephone and Telegraph Company is authorized to expand the local service area of extended service offerings in the Coronado, Chula Vista, National City, and San Diego exchanges to include San Ysidro and to file appropriate revised tariff schedules to accomplish such change coincident with the establishment of extended service in the San Ysidro exchange.
- 4. The Pacific Telephone and Telegraph Company is authorized to make the above rates and changes effective on or before June 30, 1954, and with not less than five days' notice to the Commission and to the public after the effective date of this order. The rates and changes shall be applicable to services furnished on and after the effective date of the above tariff filings.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 2nd day of February, 1954.

R. F. [Signature]
President

Justin J. [Signature]

[Signature]

[Signature]

[Signature]
Commissioners