

ORIGINALDecision No. 53615

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 author-)
 ity to publish, file and place in)
 effect exchange and interexchange)
 rates in an exchange to be desig-)
 nated Big Sur, Monterey County,)
 California.)

Application No. 38209

OPINION AND ORDER

By the above-entitled application filed on June 29, 1956, The Pacific Telephone and Telegraph Company seeks an order of this Commission pursuant to Section 489 of the Public Utilities Code to (1) establish an exchange to be known as Big Sur in Monterey County, with exchange and base rate areas as shown on Exhibits A and B, respectively, attached to the application; (2) file and make effective coincident with the establishment of the Big Sur exchange rates as shown in Exhibit D attached to the application; (3) establish a toll rate center in the Big Sur exchange; and (4) deviate from the requirements of Decision No. 41416 dated April 6, 1948, relating to the provision of full selective signaling arrangements in said proposed Big Sur exchange.

The community of Big Sur is located in the southwestern part of Monterey County, approximately 30 miles south of Carmel. The application shows that within the approximately 17 square miles of territory which applicant proposes be included in the Big Sur exchange area are located the Pfeiffer-Big Sur State Park and 15 business establishments; that the present population of the area approximating 250 is expected to exceed 500 in the next 5 years; that some 450,000 visitors availed themselves of said state park's

facilities during 1955; that present telephone service in the area consists of 12 toll stations; that applicant has received a number of requests for exchange telephone service in the area; and that as a result of a canvass of the area conducted by applicant during February, 1956, a total of 40 applicants indicated a desire for exchange telephone service.

To meet the demands for exchange telephone service in the area, applicant proposes to construct a dial central office within the proposed Big Sur exchange and to establish a base rate area which will include the community of Big Sur. Applicant proposes to reuse a 60-line North Electric dial central office unit in Big Sur which is arranged for semiselective ringing on 4-party lines and divided code ringing on suburban lines. Applicant asserts that it would not be practical to modify this dial equipment for full-selective ringing on 4-party lines and semiselective ringing on suburban lines because of the high cost involved and requests authorization to deviate in this instance from the requirements of Decision No. 41416 dated April 6, 1948, relating to the provision of selective signaling arrangements.

The rates which applicant proposes for exchange telephone service are set forth on Exhibit D of the application and for principal classifications are as follows:

	Rate per Month	
	<u>Residence Service</u>	<u>Business Service</u>
Individual line flat rate	\$3.80	\$6.00
Two-party line flat rate	3.25	4.75
Four-party line flat rate	2.70	-
Suburban 10-party line flat rate	3.20	4.50

Applicant does not propose to file rates for farmer line service and there appears to be no need for such service.

Coincident with the establishment of the proposed exchange, applicant proposes to establish a toll rate center at a point within the proposed base rate area of the Big Sur exchange.¹

Applicant estimates that construction and installation work can be completed to permit establishment of the Big Sur exchange as proposed by the end of June, 1957, and that the entire project will require gross additions to plant in the amount of \$153,000.² During the first year of operation of the proposed Big Sur exchange, applicant estimates the revenues will approximate \$14,200 at the rates it proposes and the operating expenses, taxes and return, will approximate \$39,300. Before income taxes and return, the first year expenses are estimated by the applicant to approximate \$21,500. Future growth in the area should reduce the indicated first year deficit.

The Commission has considered the above-entitled application and is of the opinion that a public hearing thereon is not necessary, and that the granting of the application as herein provided will not be adverse to the public interest and should result in improved telephone service. Finding that such increases in rates and charges as will result from the granting of this application are justified and that present rates in so far as they differ from those herein prescribed, upon the establishment of the Big Sur exchange, will be unjust and unreasonable; therefore,

IT IS HEREBY ORDERED as follows:

1. Applicant is authorized to file with this Commission after the effective date of this order, and on or before October 31, 1957, in accordance with General Order No. 96, the changes in rates, conditions, rules and regulations for exchange and toll telephone services as set forth on Exhibit D attached to the application and as discussed above, and maps of the

¹ The description of the proposed toll rate center is the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec.32, T.19 S., R.2 E., M.D.B. & M. The block and section designation is Y7-y.

² Exhibit E attached to the application.

proposed exchange and base rate areas substantially as set forth on Exhibits A and B, respectively, attached to the application, and after not less than ten days' notice to the Commission and to the public, to make such rates effective for telephone service in the Big Sur exchange coincident with its establishment.

- 2. Applicant is relieved in this instance from the requirements set forth in the sixth paragraph in the order in Decision No. 41416, dated April 6, 1948, with respect to the initial installation of the Big Sur dial central office.
- 3. The authority granted herein will expire unless exercised on or before October 31, 1957.

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

Dated at San Francisco, California, this 7th day of AUGUST 4, 1956.

President

Justin F. Casper

Roy L. Lintarimer

R. R. ...

Commissioners