

Decision No. 55514**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 COACHELLA VALLEY TELEPHONE COMPANY,)
 a California corporation, for author-) Application No. 39214
 ity to publish, file and place in)
 effect exchange rates in an exchange)
 to be designated Eagle Mountain,)
 Riverside County, California.)

OPINION AND ORDER

The Coachella Valley Telephone Company by the above-entitled application, filed on July 5, 1957, seeks authority to (1) establish an exchange to be known as Eagle Mountain with exchange and base rate areas as shown on Exhibits B and C of the application, (2) file and make effective, coincident with the establishment of Eagle Mountain exchange, rates as shown in Exhibit E, and (3) establish a toll center in Eagle Mountain.

The community of Eagle Mountain is located in the eastern part of Riverside County, approximately 50 miles east of Indio. Kaiser Steel Company operates an iron ore mine at Eagle Mountain to supply ore to its Fontana steel mill.

Present telephone service in the area consists of a private branch exchange served by two toll station lines with 19 extension stations serving the Kaiser Steel Company, and two public toll stations serving the community of Eagle Mountain. It is asserted that the above services are furnished by The Pacific Telephone and Telegraph Company. Applicant has received inquiries from the Kaiser Steel Company as to the possibility of obtaining exchange service in Eagle Mountain. Applicant's survey indicates there are approximately 145 permanent residences in the area.

To meet the demands for telephone service in the community of Eagle Mountain, applicant proposes to rent a central office building under a 20-year lease from the Kaiser Steel Company and install therein a temporary manual switchboard until such time as a dial central office can be installed. The proposed base rate area is shown on Exhibit C. It appears that operator office functions for the proposed Eagle Mountain exchange with dial service will be performed at Indio.

Under applicant's plan, the toll lines of The Pacific Telephone and Telegraph Company would continue to be used to provide toll service to Eagle Mountain.

Applicant states that common battery manual service can be furnished during the fourth quarter of 1957 and dial switching equipment can be installed during the first quarter of 1959. For the first year of operation, applicant estimates that gross plant additions of \$51,000 will be required to furnish the proposed service. The estimated annual cost effects for the first year of operation with common battery manual service are shown by the application to be \$21,030 before income taxes and return. Estimated revenues at proposed rates for the first year are \$11,973, segregated \$5,733 to exchange service and \$6,240 to toll. Applicant's forecast indicates growth in the area which should provide increased revenues in future periods.

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

<u>Class of Service</u>	<u>Rate per Month</u>
Individual Line - Business	\$6.50
PBX Trunk - Business	9.75
Individual Line - Residence	4.00
Semi-Public Pay Station	1.25*
PBX Business Extension	1.50
Residence Extension	1.25

* Plus guarantee of 20¢ per day on local calls.

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 Eagle Mountain exchange.^{1/}

Applicant will be authorized to apply within its proposed Eagle Mountain exchange rates and charges for miscellaneous services and rules consistent with those contained in its exchange tariff schedules and acceptable to the Commission. Should the requirement for grades of service other than individual line service develop in the future, the Commission will expect applicant to make appropriate tariff revisions to meet such requirements.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary and that the granting of the application as herein provided for establishment of exchange service is not adverse to the public interest and should result in improved telephone service. Finding that the increases in rates and charges authorized herein are justified and that present rates insofar as they differ from those herein prescribed upon establishment of the Eagle Mountain exchange will thereafter for the future be unjust and unreasonable; therefore,

IT IS ORDERED, as follows:

1. Applicant is authorized to file with this Commission after the effective date of this order, and on or before March 31, 1958, 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 E attached to the application and as discussed above, and maps of the exchange and base rate area

^{1/} The description of the proposed toll rate center is the southeast quarter of the northwest quarter of the southeast quarter of the northeast quarter of the northwest quarter of Section 2, Township 4 South, Range 14 West, San Bernardino Base and Meridian.

substantially as set forth in Exhibit B 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 Eagle Mountain exchange coincident with its establishment.

2. Coincident with the establishment of Eagle Mountain exchange, applicant is authorized to apply within said exchange rates and charges for miscellaneous service and rules consistent with those contained in its exchange tariff schedules and acceptable to the Commission.

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

Dated at San Francisco, California, this 3rd day of September, 1957.

(Handwritten signature circled)

(Handwritten signature)
President

(Handwritten signature)

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Commissioners