

**ORIGINAL**Decision No. 56194

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 CALIFORNIA WATER & TELEPHONE COMPANY ) Application No. 38685  
 for authority to increase its rates )  
 and charges for telephone service. )

Appearances and Witnesses are  
 listed in Appendix B

INTERIM OPINION AND ORDER AUTHORIZING  
 EXTENDED SERVICE TO DESERT HOT SPRINGS

By the above-entitled application filed December 21, 1956, the California Water & Telephone Company seeks increased rates for telephone service. Thus far five days of public hearing have been held on this application during the period May 22, 1957, to September 20, 1957. In view of the fact that the applicant's own estimates showed that at present rates its exchange operations would be earning in excess of 7 per cent for the year 1957, the Commission's staff, on May 22, moved for dismissal of the application to increase the rates, but without prejudice to the proposed extended service between Palm Springs and Desert Hot Springs. As of this date the Commission has not yet ruled on the staff's motion to dismiss the application or authorized any increases as sought by the applicant. This matter has been held in abeyance pending disposition of compensation matters relating to multi-message unit service in the Los Angeles Extended Area.

At the hearing in Redlands on May 23, 1957, a witness appearing for 25 per cent of the telephone subscribers in Desert Hot Springs presented a petition signed by a number of residents of Desert Hot Springs favoring extended service between Desert Hot Springs and Palm Springs.

On January 13, 1958, a petition was filed on behalf of approximately 960 persons in the community of Desert Hot Springs urging the granting of extended telephone service for Desert Hot Springs and its environs.

Exhibit No. 20, filed in the above-entitled matter at the public hearing on May 22, 1957, is a summary of the applicant's Desert Hot Springs-Palm Springs Extended Service Study which shows that extended service would result in a loss of toll revenue of \$12,386 on an annual basis. In addition, there would be annual charges on net plant additions of \$5,826 but this latter amount would be more than offset by annual expense savings of \$9,829, leaving an amount of \$8,383 to be offset by increased exchange revenues.

The present and company proposed monthly rates follow:

	<u>Desert Hot Springs</u>		
	<u>Present</u> <u>Local Serv-</u> <u>ice Rates</u>	<u>Proposed</u> <u>Increase</u> <u>in Rates</u>	<u>Resulting</u> <u>Extended Serv-</u> <u>ice Rates</u>
<u>Business</u>			
Individual Line	\$ 6.95	\$1.00	\$ 7.95
2-Party	5.55	.95	6.50
Suburban	5.00	.90	5.90
PBX Trunks	10.25	1.50	11.75
Semi-Public Coin Box			
Rate per Month	1.75	.05	1.80
Minimum Per Day	.23	.05	.28
<u>Residence</u>			
Individual Line	4.45	.25	4.70
4-Party	3.35	.25	3.60
Suburban	3.60	.25	3.85

<u>Palm Springs and Cathedral City</u> <u>Base Rate Areas</u>			
	<u>Present</u> <u>Service</u>	<u>Proposed</u> <u>Increase</u> <u>in Rates</u>	<u>Resulting</u> <u>Rates</u>
<u>Business</u>			
Individual Line	\$ 8.55	\$0.10	\$ 8.65
2-Party	6.80	.10	6.90
4-Party	6.50	.10	6.60
Suburban	5.40	.10	5.50
PBX Trunks	12.75	.25	13.00
Semi-Public Coin Box			
Rate per Month	1.80	-	1.80
Minimum per Day	.28	-	.28
<u>Residence</u>			
Individual Line	4.85	.05	4.90
2-Party	3.95	-	3.95
4-Party	3.40	-	3.40
Suburban	3.95	-	3.95

Similar increases in rates are proposed for the Rancho Mirage Special Rate Area as are shown above for Palm Springs and Cathedral City Base Rate Areas.

In view of the evidence of record and the large number of persons that signed the petition filed on January 13, 1958, the Commission is led to the finding and conclusion that the majority of the subscribers in Desert Hot Springs desire the extended service and are willing to pay increased exchange rates necessary to offset the estimated loss in toll revenue.

At the hearing the applicant's witness indicated that it would take approximately one year from the time that the order is issued to provide the facilities and initiate the service.

The Commission finds:

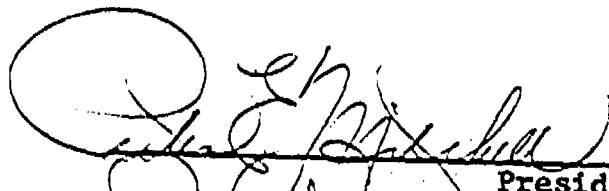
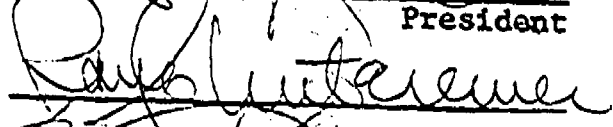

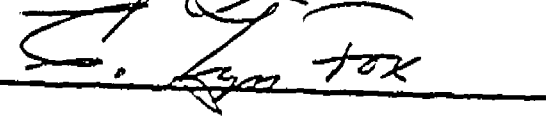
1. That the introduction of extended service between the Desert Hot Springs exchange and Palm Springs exchange is in the public interest;

2. That such service should be inaugurated within a period of approximately one year or not later than April 1, 1959; and
3. That the increases in rates and charges authorized herein are justified and that present rates in so far as they differ from those herein prescribed after extended service is inaugurated are unjust and unreasonable; therefore,

IT IS ORDERED that applicant is authorized to inaugurate extended service between the Desert Hot Springs exchange and the Palm Springs Main exchange on or before April 1, 1959, and to file in quadruplicate with this Commission, at least five days prior to the date extended service is inaugurated, rates revised in accordance with Appendix A attached hereto and to make such revised rates effective for service rendered on and after the date extended service is inaugurated.

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

Dated at San Francisco, California, this 4<sup>th</sup> day of February, 1958.

  
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President  
  
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Commissioners

Commissioner.....Rex Hardy....., being necessarily absent, did not participate in the disposition of this proceeding.

## APPENDIX A

RATES

The following changes in rates are authorized in Desert Hot Springs and Palm Springs exchanges effective upon inauguration of extended service between said exchanges.

Schedules Nos. A-1, A-3, A-5, A-7, A-8

Cancel local service rates in Desert Hot Springs. File extended service rates at the then effective rate levels plus the following amounts in Desert Hot Springs and Palm Springs exchanges.

<u>Business Service</u>	<u>Increase</u>	
	<u>Desert Hot Springs</u>	<u>Palm Springs</u>
Individual Line	\$1.00	\$0.10
2-Party Line	.95	.10
4-Party Line	-	.10
Suburban	.90	.10
PEX Trunk	1.50	.25
Semi-Public Coin Box		
Rate per Month	.05	*
Minimum per Day	.05	*
Residence Service		
Individual Line	.25	.05
2-Party Line	-	*
4-Party Line	.25	*
Suburban	.25	*
PEX Trunk	.50	*

\* No Increase

- Service not offered.

Schedule No. A-2

Revise local service area of Desert Hot Springs exchange to include Palm Springs exchange and of Palm Springs exchange to include Desert Hot Springs exchange.

Schedule No. A-17, A-23

Revise rates for foreign exchange and employees' service to reflect increases in basic exchange rates and provision of extended service.

Schedule No. B-1

Cancel rates for message toll telephone service between Desert Hot Springs and Palm Springs.

APPENDIX B

LIST OF APPEARANCES

For Applicant: Claude N. Rosenberg and William G. Fleckles.

Interested Parties: Roger Arnebergh, Alan G. Campbell and Robert W. Russell, for City of Los Angeles; Neal C. Hasbrook, for California Independent Telephone Association; Joseph Q. Joynt and Bert Buzzini by Joseph Q. Joynt, for California Farm Bureau Federation; Neville R. Lewis, for City of San Fernando; Clifford Babin, Palm & Pierson, Desert Hot Springs appearing for 25 per cent of telephone subscribers in Desert Hot Springs; Robert E. Driscoll, for Panorama City Chamber of Commerce.

Protestants: Mrs. Jill R. Housinger, appearing for self and 1,100 other subscribers to be known as Jane and John Does; A. J. Roderick in propria persona; Mrs. Arnold M. Swanson, for self, and 10,000 subscribers of applicant; Helen Waisgerber in propria persona; William P. Bear for Panorama City Coordinating Council.

Other Appearances: Francis N. Marshall for Pacific Telephone and Telegraph Company, respondent to a motion by applicant.

Commission Staff: Mary Moran Pajalich.

LIST OF WITNESSES

Evidence was offered on behalf of the applicant by: Arthur D. Scripture, Peter A. Nenzel, James Naylor, Alfred L. Burke.

Evidence was offered on behalf of the protestants and interested parties by: Clifford Babin, Mrs. Jill R. Housinger, Robert E. Driscoll, Helen Waisgerber, Mrs. Arnold M. Swanson, William P. Bear