

ORIGINAL

Decision No. 58466

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 authority } Application No. 41076
 to increase certain non-recurring }
 charges for telephone service in all }
 of its exchanges.)

OPINION AND ORDER

Coachella Valley Telephone Company, operating a telephone system in Riverside and Imperial Counties, by the above-entitled application filed on April 24, 1959, seeks authority under Sections 454 and 491 of the Public Utilities Code to increase certain non-recurring service connection charges, move and change charges and installation charges, as set forth in Exhibit C of the application. A summary of typical increases in non-recurring charges proposed by applicant follows:

	<u>Charges</u>		
	<u>Present</u>	<u>Company-Proposed</u>	<u>Increase</u>
<u>Service Connection Charges</u>			
Business Primary Station or Trunk	\$ 6.00	\$ 15.00	\$ 9.00
Residence Primary Station or Trunk	5.00	10.00	5.00
Extension or PBX Station..	3.00	5.00	2.00
Primary Station - Instrument in Place	3.00	5.00	2.00
<u>Move and Change Charges</u>			
Change in Location or Type of Instrument	3.00	5.00	2.00
<u>Installation Charges</u>			
Extension Bell	1.50	5.50	4.00
Each Booth	10.00	27.00	17.00
Each Key	1.50	5.50	4.00
Buzzer Circuit	2.00	5.50	3.50
Cordless Switchboard - 5 Trunks, 12 Station Lines	15.00	30.00	15.00
Cord Switchboard - 50 Lines	30.00	120.00	90.00

No increases are proposed by applicant in any recurring monthly rate for telephone service. Present non-recurring charges, under applicant's request, would be applied to all applications for service received by applicant prior to the effective date of the increase in charges.

Applicant estimates that if its proposed increases in charges had been in effect for the full year 1958, its gross revenues would have been increased by \$19,900 segregated as follows: service connection charges \$14,300; move and change charges \$1,200; and installation charges \$4,400.

In support of the proposed increases, applicant asserts that the present charges generally have been in effect since 1952, since which time applicant's wages and material costs have increased substantially; that the charges it proposes are no higher, and in some instances lower, than those in effect in serving areas adjacent to that of applicant; and that its rate of return for 1958 at present charges was 5.99 per cent and would have increased to 6.32 per cent if the proposed increased charges had been in effect for the entire year 1958.

Applicant's showing on operating results for the year 1958 is set forth in Exhibit B of the application which may be summarized as follows:

	Year 1958	
	Present Rates	Company-Proposed Rates
Operating Revenues	\$ 944,439	\$ 964,318
Operating Expenses and Taxes ...	785,031	796,164
Net Revenues	159,408	168,154
Average Depr. Rate Base	2,658,720	2,658,720
Rate of Return	5.99%	6.32%

In the last general rate proceeding involving this applicant (Decision No. 46662, decided January 22, 1952, in Application No. 32600), the Commission found 6.5% to be a fair rate of return for applicant.

The increases in charges sought in this application will not apply to existing services but will apply to new applications for service and for moves and changes of equipment.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary and that the application should be granted as herein provided. Finding that the increases in rates and charges authorized herein are justified and that the present rates and charges, in so far as they differ from those herein prescribed, for the future are unjust and unreasonable; therefore,

IT IS ORDERED that Coachella Valley Telephone Company is authorized to file with this Commission, after the effective date of this order and in conformity with General Order No. 96, schedules of rates and charges revised to incorporate the proposed changes set forth in Exhibit C attached to the application and indicating that present charges apply to applications received before July 1, 1959 and, after not less than five days' notice to the public and to this Commission, to make said revised charges effective for applications for service received on and after July 1, 1959.

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

Dated at San Francisco, California, this 22nd day of May, 1959.

E. L. Fox
President
W. L. H. H. H. H.
W. L. H. H. H. H.
Theodore H. H. H.
W. L. H. H. H. H.
Commissioners