

Decision No. 59602

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-
ity to publish, file and place in
effect exchange rates in an exchange
to be designated SALTON, Imperial
County, California.

Application No. 40219
Petition for Modification
of Boundaries of Salton
City Base Rate Area 2S
Established by
Decision No. 57503

Gibson, Dunn & Crutcher, attorneys, by Raymond L. Curran,
and J. C. Newman, president, for the applicant.
Neal C. Hasbrook, for California Independent Telephone
Association, and Gerald J. Geerlings, deputy county
counsel, for the County of Riverside, interested
parties.
Melvin E. Mezek, for the Commission staff.

O P I N I O N

Coachella Valley Telephone Company, a corporation, by the
above-entitled petition, filed October 30, 1959, seeks a modifica-
tion of the Salton City base rate area boundaries established by
Decision No. 57503, dated October 21, 1958, in the instant appli-
cation.

A public hearing was held before Examiner Stewart C. Warner
on December 29, 1959, at Indio. The matter was submitted for de-
cision on said date. There were no protests to the granting of the
petition.

By ordering paragraph 4 of Decision No. 57503, supra, the
applicant was authorized and directed to establish a base rate area
in its Salton exchange to include the Salton City resort and the
approximately 10 square miles of area surrounding the resort as

shown on the map, Exhibit No. 4, filed in the original proceeding and as more particularly described in the opinion of said decision. On October 31, 1958, the applicant filed a petition for modification of said ordering paragraph, which said petition was opposed, on November 26, 1958, by Salton City Chamber of Commerce, M. Penn Phillips Company, Salton Riviera, Inc., and Salton Vista Development Co., and by Decision No. 57766, dated December 30, 1958, the petition was denied.

By the instant petition, the applicant seeks again to have its Salton City base rate area reduced to include the area delineated by the broken red line on Exhibit C attached to the petition. The newly proposed base rate area includes properties lying on both the east and west sides of U. S. Highway No. 99 on which are located commercial establishments and homesites in the developed section of the subdivided area of Salton City. Said subdivided area comprises 24,000 acres in which about 14,000 ½-or-less acre lots have been sold but on which only about 24 homes have been constructed with another 36 homes under construction. These 60 homes are widely scattered and many are occupied only on weekends or at other irregular intervals.

Exhibits D, E, F and G of the instant petition are copies of letters from Salton City Chamber of Commerce, Salton Riviera, Inc., M. Penn Phillips Company, and Salton View Development Co. supporting the petition.

The applicant alleged that the cost of constructing the facilities necessary to serve the originally established telephone base rate area without the benefit of line extension or mileage

charges would be prohibitive, would divert funds scheduled for expansion and improvement of applicant's existing services, and would be discriminatory and would be an inequitable burden upon applicant's telephone subscribers in the more densely populated and developed portions of the entire system. The record in the proceeding supports these allegations.

The staff recommended that the applicant make annual reviews of its base rate areas and file for expansion of such base rate areas wherever and whenever the need therefore becomes apparent. Provision should be made for regular review and prompt expansion of base rate areas whenever growth so warrants.

It is found as a fact and concluded that any increase in rates and charges as may result are justified; the public interest requires that the petition be granted; and the order which follows will so provide.

C R D E R

Petition for modification of Decision No. 57503 in the above-entitled application having been filed, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED as follows:

1. That the petition of Coachella Valley Telephone Company, a corporation, for modification of the boundaries of its Salton City base rate area as established by Decision No. 57503 be and it is granted.
2. That ordering paragraph 4 of Decision No. 57503 be modified, and that applicant be and it is authorized and directed to establish a base rate area in its Salton exchange which will include that portion of the Salton City resort and territory lying on the east and

west sides of U. S. Highway No. 99 as delineated by the broken red line appearing on Exhibit C attached to the instant petition.

3. That applicant be and it is authorized to refile the tariff schedules for its Salton exchange to include a map of the Salton City base rate area as modified herein and, after not less than five days' notice to the Commission and to the public, to make said tariff schedules effective in its Salton City exchange.

4. Applicant shall review and make necessary filings to accomplish base rate area expansions wherever and whenever the need becomes apparent. Such reviews shall be done annually or more often if growth so requires and filings promptly made whenever appropriate.

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

Dated at San Francisco, California, this 12th day of February, 1960.

Walter H. Page
President
Chas. E. Fisher
Walter G. ...
C. L. Fox
Theodore J. ...
Commissioners