

ORIGINAL

Decision No. 60462

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 authority
to establish the Baywood Park and
Avila special rate areas in the San
Luis Obispo exchange.

Application No. 42332

OPINION AND ORDER

Applicant's Request

The Pacific Telephone and Telegraph Company filed this application on June 8, 1960, seeking authority under Section 454 of the Public Utilities Code to:

1. Establish the Baywood Park special rate area and the Avila special rate area in the San Luis Obispo exchange with boundaries substantially as indicated on Exhibit A, attached to the application.
2. File and make effective coincident with the establishment of the two special rate areas the proposed rates as shown on Exhibit B attached to the application.

Reason for Request

Applicant states that it has received numerous requests from residents and businessmen of both Baywood Park and Avila for better telephone service. These two communities lie within applicant's San Luis Obispo exchange which is located in San Luis Obispo County. There are three principal communities within the San Luis Obispo exchange. The largest, comprising the City of San Luis Obispo, is located in the center of the exchange. Baywood Park, the next largest, is approximately ten miles west of the city on the southeast

shore of Morro Bay. Avila, the smallest of the three, is a sea-shore community about $7\frac{1}{2}$ miles south of the city. As of March 31, 1960 there were 407 primary services in Baywood Park including two public telephones, 38 business suburban and 367 residence suburban services. As of that date telephone development in Avila consisted of 92 primary services, comprising three public telephones, two individual line business, five two-party business, 17 suburban business and 65 suburban residence services. These communities desire urban rate treatment.

Proposed Service Improvement

Applicant represents that Baywood Park and Avila have reached a density and type of development that warrants the provision of urban grades of service and that the two special rate areas can be established about the middle of 1961. The most economical way to provide such improved service is to establish a dial central office at each location. Applicant proposes that the special rate areas encompass the developed portions of each community in accordance with maps marked Exhibit A.

Baywood Park now contains about 1,000 homes and an estimated population of 4,000. Two major subdivisions currently are under way and there are plans for a 12-store shopping center.

Avila is adjacent to the deep water port of San Luis Obispo and has about 150 homes on the hillside overlooking the ocean. There is a small business section, a fish processing plant, a pier for loading oil tankers from a nearby oil storage tank farm, and a state park and swimming beach which attracts visitors interested in camping and water sports. The State Small Craft Harbor Commission has plans for a breakwater and small craft harbor in 1962 which will further enhance the community.

Proposed Rates

To give better grades of telephone service at reasonable mileage charges the applicant proposes rates for primary service in these special rate areas equal to San Luis Obispo base rates plus an incremental amount equivalent to a 3/4 mile suburban mileage charge. The rates proposed by applicant are shown on Exhibit B and are as follows:

<u>Type of Service</u>	<u>Rate Per Month</u>
<u>Business</u>	
1-Party	\$ 9.25
2-Party	7.15
PBX Trunk	13.00
Semipublic	2.25 plus .22 per day
<u>Residence</u>	
1-Party	6.15
2-Party	4.65
4-Party	3.75

Applicant proposes to withdraw the offering of suburban and farmer line service in those special rate areas upon their establishment. Applicant also proposes that urban services located within the San Luis Obispo exchange, but outside the San Luis Obispo base rate area, and Baywood Park and Avila special rate areas would be furnished at special rate area rates plus suburban mileage charges to the nearest point on the boundary of either of the two special rate areas, or at San Luis Obispo base rates plus suburban mileage charges to the nearest point on the San Luis Obispo base rate area boundary, whichever results in the lower charge to the subscriber. Applicant's estimate of the revenue effects of establishing these two special rate areas, based on March 1959 development, is an increase of about \$6,800 on an annual basis as the subscribers now paying suburban rates of \$5.35 for business and \$3.50 for residence service are upgraded.

Findings and Conclusions

The Commission has given consideration to this matter and is of the opinion and finds and concludes that a granting of the application, as herein provided, will result in improved service and not be adverse to the public interest, that a public hearing is not necessary, that such increases in rates or charges as will result from granting this application are justified and that, for the future, present rates, insofar as they differ from those herein prescribed will be unjust and unreasonable upon establishment of the Baywood Park and Avila special rate areas within such areas; therefore,

IT IS ORDERED that after the effective date of this order, and on or before September 30, 1961, applicant is authorized to file with this Commission, in conformity with General Order No. 96, tariff schedules revised to show Baywood Park and Avila special rate areas with boundaries substantially as indicated in Exhibit A attached to the application and rates proposed by applicant for these special rate areas as shown in Exhibit B attached to the Application and, after not less than five days notice to the Commission and to the public, to make said rates effective for service coincident with the establishment of the Baywood Park and Avila special rate areas.

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

Dated at San Francisco, California this 2nd day of August, 1960.

[Signature]
President
[Signature]
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Commissioners