

**ORIGINAL**Decision No. 62708

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 a special rate area at  
 San Francisquito Canyon within the  
 Newhall exchange.

Application No. 43741

OPINION AND ORDER

The Pacific Telephone and Telegraph Company filed the above-entitled application on September 8, 1961, seeking authority under Section 454 of the Public Utilities Code to: (1) establish a special rate area in the Newhall exchange with a boundary substantially as indicated in Exhibit A attached to the application; and (2) file and make effective coincident with the establishment of the San Francisquito special rate area, rates as shown in Exhibit B attached to the application.

Applicant states that a rapidly developing unincorporated community of approximately 250 residences is located within its Newhall exchange in an area known as San Francisquito about four miles north of Newhall; that 100 additional homes are presently under construction, and there is a public demand for, and that it is in the public interest to establish, the proposed San Francisquito special rate area.

As of April, 1961, applicant was providing 122 urban services and 128 suburban services within this area. The distance from the boundary of this area to the nearest point on the base rate area ranged from 13/4 miles to 18/4 miles, and the mileage charge to the 122 urban services was based on these distances.

Based on the April, 1961 telephone development, applicant has estimated that, with minimum regrading of telephone services, applicant's annual revenues would decrease approximately \$9,250. However, with normal regrading, which can be expected, annual revenues would decrease about \$8,000 following the establishment of the special rate area.

Applicant states that the proposed special rate area will require additional telephone facilities and contends that the installation of concentrator equipment and additional cable pairs is the most economical way to provide urban services within said area. The gross construction costs of the additional plant required is estimated to be \$27,500. The company estimates that the construction can be completed and a special rate area established approximately one year after Commission authorization becomes effective.

Applicant proposes to establish a special rate area comprising the business and residence development of the community of San Francisquito and to provide urban grades of service coincident with completion of construction of additional required plant. Under applicant's proposal, suburban line service would not be offered within the Newhall special rate area.

The rates which applicant proposes for primary service in the special rate area are the Newhall exchange rates plus an amount equal to 2/4 mileage charge in recognition of the development in the special rate area and its distance from the Newhall base rate area. The monthly rates proposed by applicant for principal grades of service within the San Francisquito special rate area are as follows:

<u>Service</u>	<u>Rate Per Month</u>
<u>Business</u>	
1-party	\$ 8.00
2-party	6.30
PBX trunks	11.50
Semipublic	1.75 plus .21 per day
Suburban	Not offered
<u>Residence</u>	
1-party	\$ 5.40
2-party	4.30
4-party	3.50
Suburban	Not offered

Urban services located within the Newhall exchange but outside of either the Newhall base rate or San Francisquito special rate area would be furnished at either the special rate area rates plus suburban mileage charges to the nearest point on the boundary of the special rate area, or at Newhall base rates plus suburban mileage charges to the nearest point in the Newhall base rate area boundary, whichever results in the lower charge to the subscriber.

The Commission has given consideration to this matter and is of the opinion that a public hearing is not necessary and that a granting of the application, as herein provided, will result in improved service and not be adverse to the public interest. We find that such increases in rates or charges as will result from granting this application are justified and that, for the future, present rates, in so far as they differ from those herein prescribed, will be unjust and unreasonable upon establishment of the San Francisquito special rate area; therefore,

IT IS ORDERED that after the effective date of this order and on or before December 31, 1962 applicant is authorized to file with this Commission in conformity with General Order No. 96 tariff

schedules revised to show the San Francisquito special rate area with a boundary substantially as indicated in Exhibit A attached to the application and rates proposed by applicant for San Francisquito special rate area and suburban 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.

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

Dated at Los Angeles, California, this 24th day of OCTOBER, 1961.

*[Signature]* President  
*[Signature]*  
*[Signature]*  
*[Signature]* Commissioners

Commissioner Everett C. McKeago, being necessarily absent, did not participate in the disposition of this proceeding.