

**ORIGINAL**Decision No. 63386

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY for authority to establish the Solamint special rate area within the Newhall exchange.	}	Application No. 44090 (Filed January 10, 1962)
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OPINION AND ORDER

The Pacific Telephone and Telegraph Company seeks authority under Section 454 of the Public Utilities Code to (1) establish a special rate area in the Newhall exchange to be called the Solamint special rate area, with a boundary substantially as indicated on Exhibit A attached to the application; and (2) file and make effective coincident with the establishment of the Solamint special rate area rates for primary service as proposed in Exhibit B attached to the application.

Applicant states that the unincorporated community of Solamint is a rapidly developing community in Los Angeles County located about four miles northeast of Newhall. The proposed special rate area contains approximately 1.88 square miles and as of September 1, 1961 the area contained 747 occupied homes, 83 business establishments and 7 trailer parks with 325 spaces. Construction of 333 additional homes was under way at that time, and 600 new homes were being planned.

The minimum distance from the boundary of the special rate area to the nearest point on the base rate area boundary is 12/4 miles and the maximum distance is 26/4 miles. As of September, 1961, applicant provided within the proposed Solamint special rate area 101 urban services to which mileage charges applied and 246 suburban

services. It is estimated that 307 subscribers living outside the special rate area will have their suburban mileage charges reduced.

The proposed rates within the special rate area will result in lower aggregate monthly exchange service charges for all urban services. The rates which applicant proposes for primary service in the special rate area are Newhall base rates plus an amount equal to an increment of 2/4 suburban 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 Solamint special rate area are as follows:

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

Other rates and rules will be in accordance with tariffs on file with the Commission.

Urban services located within the Newhall exchange and outside of either the Newhall base rate area, Solamint or San Francisquito special rate areas would be furnished at either the special rate area rates plus suburban mileage charges to the nearest point on the boundary of the nearest special rate area or at Newhall base rates plus suburban mileage charges to the nearest point on the Newhall base rate area boundary whichever results in the lower charge to the subscriber. On this basis the suburban mileage charges will be reduced for 307 subscribers.

Applicant estimates that the establishment of the special rate area will result in a decrease in annual revenue of about

\$13,900 assuming September 1961 development and normal regrading which can be expected to result from the availability of urban service without mileage charges. This proposal may be likened to an expansion of a base rate area where growth and density of development warrant the elimination of suburban mileage charges.

Applicant estimates that the gross cost of a new No. 5 crossbar central office will be less expensive than outside plant construction and that such a central office can be completed approximately by June 1963. Applicant, therefore, plans to serve the Solamint special rate area with such central office.

Findings and Conclusions

The Commission finds and concludes that a public hearing is not necessary; that the granting of the application, as herein provided, should result in improved service and should not be adverse to the public interest. We further find 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 Solamint special rate area; therefore,

IT IS ORDERED that, after the effective date of this order and on or before July 31, 1963, applicant is authorized to file with this Commission, in conformity with General Order No. 96-A, tariff schedules revised to show the Solamint special rate area with a boundary substantially as indicated on Exhibit A attached to the application and rates proposed by applicant for Solamint special rate area as shown on Exhibit B attached to the application and, upon 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 Solamint special rate area.

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

Dated at San Francisco, California, this 13<sup>th</sup> day of MARCH, 1962.

*General W. R. ...*  
President  
*W. L. Mitchell*  
*E. L. Fox*  
*George H. ...*  
*Fredrick B. ...*  
Commissioners