

**ORIGINAL**Decision No. 63492

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE)  
AND TELEGRAPH COMPANY for authority )  
to establish the Redwood Valley )  
special rate area within the Ukiah )  
exchange. }

Application No. 44211

OPINION AND ORDERApplicant's Request

By this application, filed February 21, 1962, The Pacific Telephone and Telegraph Company (hereinafter referred to as applicant) requests authority pursuant to Section 454 of the Public Utilities Code to (1) establish the Redwood Valley special rate area in Ukiah exchange with boundaries as set forth in Exhibit A to the application, (2) establish rates for said special rate area as set forth in Exhibit B to the application, and (3) withdraw suburban service within the special rate area.

Applicant is a California corporation and owns and operates a general telephone and telegraph business in this State including the Ukiah exchange in Mendocino County wherein it serves approximately 3,800 telephones.

Proposed Special Rate Area

The Redwood Valley community is located approximately 4 miles north of the present Ukiah base rate area boundary. The section proposed for special rate area treatment contains approximately 175 residence establishments, one small apartment building and a trailer park. Business establishments include a fire station, a post office, a service station, a cafe, a hardware store, a shopping center and other miscellaneous stores. Telephone development as of May 1961 in the proposed Redwood Valley special rate area

amounted to 125 residence main stations and 25 business main stations of which 9 and 15, respectively, were urban grades of service.

In May 1961 the Redwood Valley Grange, representing about 300 residents of the Calpella and Redwood Valley areas informally complained requesting improved telephone service. Other individuals have also evidenced interest in securing urban service without mileage charges. Applicant alleges that establishment of the proposed special rate area, together with expansion of the Ukiah base rate area which applicant proposes to effectuate under General Order No. 96-A to include Calpella, will satisfy these demands for improved service. With urban grades of service available in the proposed Redwood Valley special rate area there will no longer be a demand or requirement for suburban service within the special rate area.

Establishment of the proposed Redwood Valley special rate area will require additional telephone facilities. Applicant plans to locate a mobile central office at Calpella in February 1963 and proposes to establish the special rate area on or before March 31, 1963.

#### Proposed Rates

Applicant proposes rates for primary urban services within the Redwood Valley special rate area equivalent to Ukiah base rates plus an increment equal to 1/4 suburban mileage charge. This increment gives appropriate consideration to development of the proposed special rate area and its distance of about 7/4 miles from the base rate area after the proposed expansion of said base rate area heretofore referred to. The following tabulation, taken from Exhibit B attached to the application, shows present and proposed rates for primary services within the special rate area:

	<u>Present*</u>	<u>Proposed</u>
<u>Business</u>		
1-Party Flat	\$ 7.75	\$ 8.25
2-Party Flat	6.10	6.45
Semipublic	.75 plus .22 per day	1.25 plus .22 per day
PBX Trunks	11.50	12.00
Suburban	5.35	Not Offered
Farmer Line	1.80	1.90
<u>Residence</u>		
1-Party	\$ 4.65	\$ 5.15
2-Party	3.60	3.95
4-Party	3.00	3.25
Suburban	3.50	Not Offered
Farmer Line	1.05	1.15

\* Plus suburban mileage charges on urban services.

Applicant also proposes that Ukiah urban services located outside the base rate area and the proposed Redwood Valley special rate area will be furnished at either special rate area rates plus suburban mileage charges to the nearest point on either the special rate area boundary or at base rates plus suburban mileage charges to the nearest point on the base rate area boundary, whichever results in the lower charge to the subscriber. On this basis the mileage charges paid by 17 subscribers to urban service will be reduced.

Based on May 1961 telephone development, applicant estimates that with minimum regrading of telephone services, the proposed rates would decrease applicant's annual revenues by approximately \$3,000. Applicant states, however, that with normal regrading which can be expected to result from the availability of urban services without mileage charges, annual revenues will decrease about \$900 following establishment of the Redwood Valley special rate area.

#### Findings and Conclusions

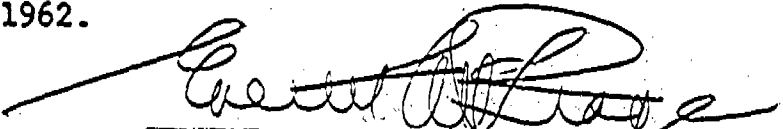
The Commission has given consideration to this matter and finds that a public hearing is not necessary and that a granting of the application, as herein provided will result in improved service

and will not be adverse to the public interest. The Commission further finds 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 become unjust and unreasonable upon the establishment of the Redwood Valley special rate area; therefore,

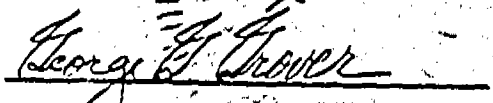
IT IS ORDERED that, after the effective date of this order and on or before March 31, 1963, applicant is authorized and directed to file with this Commission in conformance with General Order No. 96-A tariff schedules revised to show Redwood Valley special rate area with a boundary substantially as delineated on Exhibit A attached to the application and rates for said area as shown on 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 Redwood Valley special rate area within its Ukiah exchange.

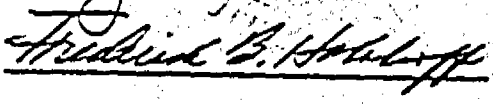
The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 3rd day of APRIL, 1962.

  
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President

  
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Commissioner

  
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Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.