

ORIGINAL

Decision No. 63866

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE)	
AND TELEGRAPH COMPANY for authority)	
to establish the Sheridan special rate)	Application No. 44467
area within the Wheatland exchange.)	(Filed May 21, 1962)

OPINION AND ORDER

Applicant's Request

The Pacific Telephone and Telegraph Company requests authority pursuant to Section 454 of the Public Utilities Code to

- (1) establish the Sheridan special rate area in the Wheatland exchange with boundaries as set forth in Exhibit A attached to the application,
- (2) establish rates for service within said special rate area as set forth in Exhibit B attached to the application, and (3) withdraw the offering of suburban service within said special rate area.

Applicant, a California corporation, operates a telephone system, including the Wheatland exchange in Yuba and Placer Counties, wherein it serves approximately 750 telephones.

Description of Proposed Special Rate Area

The community of Sheridan is located approximately three miles southeast of the present Wheatland base rate area boundary. Applicant states that the area proposed for inclusion within the special rate area boundary contains approximately 100 residence and 15 business establishments. Applicant further states that as of December, 1961, telephone development in said proposed special rate area consisted of 22 residence main stations and four business main stations, with three of the residence and one of the business subscribers taking urban grades of service.

Applicant alleges that numerous individuals have evidenced interest in securing urban service without mileage charges, and establishment of the proposed special rate area will satisfy these demands to improve service. With urban grade of service available in the proposed special rate area there will no longer be a demand or requirement for suburban service within the special rate area.

Applicant states that establishment of the proposed Sheridan special rate area will require the installation of additional telephone facilities, that such facilities can be made available within four months of Commission authorization and that it proposes to establish the Sheridan special rate area within four months of said approval.

Proposed Rates

Applicant proposes rates for primary urban service within the Sheridan special rate area equivalent to Wheatland base rates plus an increment equal to $2/4$ suburban mileage charge. Applicant alleges that this increment gives appropriate consideration to development with the proposed special rate area and its distance of approximately $1 1/4$ miles from the Wheatland base rate area.

The following tabulation from Exhibit B, attached to the application, shows present and proposed rates for primary services within the special rate area:

<u>Business</u>	<u>Rate Per Month</u>	
	<u>Present*</u>	<u>Proposed</u>
1-Party	\$6.50	\$7.50
2-Party	5.10	5.80
Semipublic	.75 plus .20 per day	1.75 plus .20 per day
PBX Trunks	9.75	10.75
Suburban	4.85	Not Offered
Farmer Line	1.30	1.50
<u>Residence</u>		
1-Party	\$4.15	\$5.15
2-Party	3.35	4.05
4-Party	2.75	3.25
Suburban	3.25	Not Offered
Farmer Line	.80	1.00

* Plus suburban mileage charges on urban services.

Applicant's Exhibit B indicates the offering of farmer line service within the proposed special rate area. This is contrary to applicant's filed tariffs. The authorization herein will not provide for the offering of farmer line service within the special rate area. However, farmer line service provided from the special rate area will be authorized at the rates shown in applicant's Exhibit B.

Applicant also proposes that Wheatland urban services will be furnished outside the base rate area and the proposed Sheridan special rate area at either special rate area rates plus suburban mileage charges to the nearest point on 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 three subscribers for urban service will be reduced.

Based on December 1961 telephone development, applicant states that with minimum regrading of telephone service the proposed rates would decrease applicant's annual revenues by approximately \$200. However, applicant estimates that establishment of the Sheridan special rate area will have little or no effect on applicant's annual revenues with the normal regrading which can be expected to result from the availability of urban services without mileage charges.

Findings and Conclusions

The Commission 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 and charges as will result from granting the 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 Sheridan 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 and directed to file with this Commission, in conformance with General Order No. 96-A, tariff schedules revised to show Sheridan special rate area within Wheatland exchange with boundaries substantially as set forth on Exhibit A attached to the applicant and rates for service within such special rate area as shown on Exhibit B attached to the application, except that the rates for farmer line service apply to such service furnished from, but not within, the special rate area at subscriber's option, 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 said special rate area within the Wheatland exchange.

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

Dated at San Francisco, California, this 2nd day of July, 1962.

George T. Grover
President

Paul L. Mitchell

Wesley R. Raper

Fredrick B. Holschaff

Commissioners

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