

ORIGINALDecision No. 65080

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE)
 AND TELEGRAPH COMPANY for authority)
 to establish the Carmel Highlands)
 special rate area within the Carmel)
 exchange.)

Application No. 45151
 Filed January 31, 1963

OPINION AND ORDER

By the above-entitled application, The Pacific Telephone and Telegraph Company, a California corporation, requests this Commission:

1. To authorize the establishment of the Carmel Highlands special rate area in the Carmel exchange as proposed in this application;
2. To find the proposed rates shown in Exhibit C attached to the application and rules affecting rates proposed in paragraph V of the application to be just and reasonable and to authorize the same to be made effective; and
3. To authorize withdrawal of suburban telephone service within the proposed special rate area.

Applicant operates the Carmel exchange in Monterey County, and serves approximately 33,500 telephones within said exchange. Applicant states that its schedules on file with the Commission, namely Cal. P.U.C. Nos. 4-T, 13-T and 37-T delineate the boundary of said exchange and the base rate area thereof and set forth the principal exchange services offered therein and the rates applicable thereto.

Applicant proposes to establish the Carmel Highlands special rate area within the Carmel exchange as shown on Exhibits A and B attached to the application. The proposed special rate area is approximately 1.05 square miles in area. Applicant represents that

there is public demand for and that it is in the public interest to establish the proposed Carmel Highlands special rate area.

At the present time telephone development in the Carmel Highlands special rate area consists of about 200 residences, two inns, real estate office, service station and fire department. As of November 1962 applicant furnished service in the area to 150 subscribers to urban services and 55 subscribers to suburban service.

Applicant proposes rates for primary urban services within the Carmel Highlands special rate area equivalent to Carmel base rates, plus an increment equal to one quarter suburban mileage charge. It represents that this increment gives appropriate consideration to development within the proposed special rate area and its distance of about four quarters miles from the base rate area.

The principal present and proposed rates are set forth in Exhibit C and may be summarized as follows:

	Rate per Month	
	<u>Present*</u>	<u>Proposed</u>
<u>Business</u>		
1-Party	\$ 9.75	\$10.25
2-Party	7.60	7.95
Semipublic	1.00 plus .24 per day.	1.50 plus .24 per day.
PBX Trunks	14.50	15.00
Suburban	5.60	Not offered.
Farmer Line	2.30	2.40**
<u>Residence</u>		
1-Party	4.90	5.40
2-Party	3.85	4.20
4-Party	3.25	3.50
Suburban	3.75	Not offered.
Farmer Line	1.30	1.40**

* Plus suburban mileage charges on urban services.

** Applicable to service connecting at the special rate area.

Applicant requests that the other rates and rules be in accordance with tariffs presently on file with the Commission.

Applicant proposes to furnish Carmel urban service outside the base rate area and the proposed Carmel Highlands 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 subscriber. Applicant states that on this basis about five individual and party line subscribers will have their mileage charges reduced or eliminated.

Based on November 1962 telephone development, applicant estimates that the proposed rates would decrease exchange revenues by approximately \$4,300 annually, assuming normal distribution of grades of service.

Applicant proposes to establish the Carmel Highlands special rate area within six months after approval by the Commission of its application.

The Commission has given consideration to this matter and finds that a public hearing is not necessary and that a granting of the application 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 of 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 Carmel Highlands special rate area; therefore,

IT IS ORDERED that, after the effective date of this order and on or before November 1, 1963, applicant is authorized and directed to file with this Commission in conformance with General Order No. 96-A tariff schedules revised to show the Carmel Highlands special rate area with a boundary substantially as delineated on

Exhibits A and B attached to the application and rates for said area as shown on Exhibit C 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 Carmel Highlands special rate area within its Carmel exchange and to withdraw suburban telephone service as proposed.

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

Dated at San Francisco, California, this 19 day of MARCH, 1963.

George H. Brewer
President

Edward J. Mitchell

Wesley W. Rye

Frederick B. Hallock

Dallas W. Burnett
Commissioners