

ORIGINAL

Decision No. 67350

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY for authority to publish, file, and place in effect rates in a new exchange in Imperial County, California, to be designated the Ocotillo exchange.

Application No. 46159 (Filed January 29, 1964)

Arthur T. George and Richard W. Odgers, by Richard W. Odgers, for applicant. James G. Shields, for Commission staff.

O P I N I O N

By this application The Pacific Telephone and Telegraph Company seeks authority to (1) establish an exchange to be known as Ocotillo in Imperial County with exchange and base rate areas substantially as shown on Exhibits A, B and C of the application, (2) file and make effective, coincident with establishment of the Ocotillo exchange, rates as shown on Exhibit D of the application, and (3) establish a toll rate center in said exchange.

The matter was heard and submitted before Examiner Patterson in El Centro on March 30, 1964. Applicant presented 3 exhibits and testimony by 2 witnesses in support of its request. Ten public witnesses testified concerning the need for improved telephone service in the area. No protests were entered to the granting of the application.

The proposed Ocotillo exchange is west of and contiguous to applicant's El Centro and Calexico exchanges as shown on Exhibit 1. The area consists of approximately 124 square miles and includes the

communities of Ocotillo, Coyote Wells and Plaster City which are located on Highway 80.

Development in the Ocotillo-Coyote Wells area includes approximately 85 homes and 7 business establishments. The 200 residents of this general area include retired, semi-retired, and self-employed persons. In addition there are numerous seasonal visitors. It has been estimated that there is a sufficient quantity of underground water available to support a population of 80,000 people. Plaster City is a private community owned and operated by the U. S. Gypsum Company. The plant located there is considered to be the world's largest producer of plaster board having about 380 employees and an annual payroll of approximately \$2 million. With an adequate water supply, favorable climate, and access by a major highway, future growth is anticipated which will increase the necessity for exchange telephone service in the area.

Applicant presently provides telephone service in the proposed exchange by means of 7 public and 4 semi-public toll stations. Applicant represents that it has been requested to provide exchange service in lieu of present toll station service in the area and presented a summary of a telephone market survey showing 11 signed applications for business service and 61 for residence service.

To provide the proposed service applicant would furnish central office facilities in said exchange by a dial switching unit to be located at Coyote Wells. Said office would provide dial service with full selective ringing, 7-digit numbering, and prepaid coin operation. El Centro would function as the operator office for toll and other traffic requiring the assistance of an operator.

Two base rate areas would be established, one to include

the communities of Ocotillo and Coyote Wells and the other to encompass Plaster City. A toll rate center would be established within the proposed Plaster City base rate area.

The estimated cost of the proposed operation as summarized in Exhibit 3 shows a prorated net cost of plant chargeable to exchange service of \$28,600. On an annual basis revenues are estimated as \$9,200 and expenses \$7,600.

The proposed rates for principal classifications of exchange service are as follows:

<u>SERVICE</u>	<u>RATE PER MONTH</u>
<u>BUSINESS</u>	
Individual Line Flat Rate	\$ 6.50
Two Party Line Flat Rate	5.10
Semi-Public Coin Individual Line	.75 plus .20 per day
PBX Trunks, Flat Rate, Each	
Commercial	9.75
Hotel	9.75
Suburban Ten Party Line Flat Rate	4.85
<u>RESIDENCE</u>	
Individual Line Flat Rate	\$ 4.15
Two Party Line Flat Rate	3.35
Four Party Line Flat Rate	2.75
Suburban Ten Party Line Flat Rate	3.25

The effect of establishing a toll rate center as proposed would be to increase toll rates to certain points west of Plaster City and to decrease toll rates to certain points east of Plaster City as shown in Exhibit 2. The maximum increase or decrease shown is 15 cents for the initial period. In general there would be no change in toll rates for distances greater than 40 miles.

Several of the public witnesses testified that they

believed the community of No Mirage located approximately one mile south of Coyote Wells, should be in the Ocotillo base rate area. Since the record shows that presently there are only a few prospective applicants in the No Mirage community and they may receive exchange service by paying the authorized mileage rate it would not be in the public interest to enlarge the proposed Ocotillo base rate area at this time. Should further development take place, however, a request to enlarge the base rate area may be presented by the appropriate filing procedure.

Applicant estimates that the necessary construction and installation work required to place the proposed exchange in operation could be completed within 18 months after authorization is received.

Based upon the evidence the Commission finds that:

1. Establishment of the Ocotillo exchange as set forth in the application will result in an improved grade of service and will be in the public interest.
2. The increases in rates and charges which will result from granting this application are justified, that the rates and charges authorized herein are reasonable, and that the present rates and charges, insofar as they differ from those herein prescribed, will become unjust and unreasonable upon establishment of the Ocotillo exchange.
3. The application should be granted.

ORDER

IT IS ORDERED that:

1. The Pacific Telephone and Telegraph Company is authorized to establish the Ocotillo exchange with exchange and base rate area boundaries substantially as shown on Exhibits A, B and C to the application and rates for service as set forth in Exhibit D to the application and with a toll rate center as set forth in said application.

2. Applicant is authorized to file the tariff schedule revisions necessary to establish the service authorized herein, in accordance with the provisions of General Order No. 96-A, and to make such tariffs effective upon not less than five days' notice to the Commission and to the public.

3. The authority granted herein will expire if not exercised within 2 years after the effective date hereof.

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

Dated at San Francisco, California, this 10th day of June, 1964.

Hallam M. Bennett
President
George L. Hoover
Fredrick B. Holshoff
Commissioners