

Decision No. 67861**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the GENERAL TELEPHONE  
COMPANY OF CALIFORNIA, a corporation,  
for authority to carry out the terms  
of a contract for the provision of  
channels and related facilities to  
SUBSCRIPTION TELEVISION, INCORPORATED.

Application No. 46852

OPINION AND ORDER

By this application, filed July 29, 1964, amended August 5, 1964, General Telephone Company of California seeks authorization, pursuant to General Order No. 96-A, Section X, Paragraph A, to carry out the terms of an agreement with Subscription Television, Incorporated (TV Company), dated July 17, 1964, as set forth in Exhibit A to the application.

The facilities to be furnished for TV Company consist of channels for television and audio transmission in connection with a pay television distribution network and are similar to facilities which this Commission has authorized<sup>1/</sup> The Pacific Telephone and Telegraph Company to furnish to the same customer in areas adjacent to the areas served by applicant.

Applicant estimates that the cost of construction of the facilities required under the contract will be \$476,650. Investment of applicant is protected by requiring TV Company to make an advance deposit equal to the estimated construction cost. The monthly rate for the service initially to be provided amounts to \$13,150 plus 50 cents for each service drop.

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<sup>1/</sup> Decision No. 67334, dated June 3, 1964, in Application No. 46193.

The Commission has considered this matter and finds that a public hearing is not necessary, that the proposed rates and charges as set forth in the agreement appear to be reasonable and compensatory, that the deposit of \$476,650 appears sufficient to protect against possible loss in the event of early termination of service; and that the application should be granted, subject to filing a study of operating results after experience is had with the system; therefore,

IT IS ORDERED that:

1. General Telephone Company of California is authorized to carry out the terms of the contract attached to the application and marked Exhibit A, with Subscription Television, Incorporated, dated July 17, 1964.

2. After applicant has experienced a full calendar year's operation thereunder, it shall, within ninety days thereafter, submit a results of operation report for such first calendar year to the Commission. Such report shall include supplemental information concerning the amount of deposit refunded, if any, detail of nonrecurring charges and the end-of-period number of drops being provided under the contract.

3. After applicant has had two full calendar years' operating experience under this contract, it shall submit, within ninety days thereafter, a report setting forth the advisability of providing this service on a tariff schedule basis and, if advisable, a proposed tariff in definitive form.

4. Applicant shall notify the Commission when operations under this authority have begun and service is being rendered to subscribers as contemplated in the contract.

5. The authority granted herein will lapse if not exercised within two years.

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

Dated at San Francisco, California, this 22nd day of SEPTEMBER, 1964.

Frederick B. Halshoff  
 President

[Signature]

[Signature]

[Signature]

Commissioners

I believe we should first determine whether or not Subscription Television, Inc. is a public utility. (See Decision 67334 and my dissent thereto.)

George G. Grover