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Decision No. 72590

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE
AND TELEGRAPH COMPANY for authority
to establish the Mt. Laguna special
rate area within the Pine Valley
exchange. }

Application No. 49253
(Filed Mar. 31, 1967)

OPINION AND ORDER

The Pacific Telephone and Telegraph Company has requested authority to establish the Mt. Laguna Special Rate Area within its Pine Valley Exchange in San Diego County, in accordance with Exhibits A and B of the application, to furnish urban grades of service at rates set forth in Exhibit C of the application and shown below, to withdraw suburban service within the special rate area, and to offer urban service outside the base rate area and the special rate area, according to the rules in paragraph V of the application.

The proposed rates are Pine Valley base rate area rates plus the equivalent of 2 one-quarter miles suburban mileage charges. ✓
The proposed special rate area is approximately 24 one-quarter miles from the base rate area boundary. These increments are in keeping with company practice and with increments applied in previously

established special rate areas. A summary of present rates and proposed S.R.A. rates follows:

	<u>Rate Per Month</u>	
	<u>Present</u>	<u>Proposed</u>
<u>Business</u>		
1-Party	\$ 5.80*	\$ 6.80
2-Party	4.50*	5.20
Semi-public	3.00*	4.00
PBX Trunks	8.50*	9.50
Suburban	4.45	Not Offered
<u>Residence</u>		
1-Party	3.70*	4.70
2-Party	3.00*	3.70
4-Party	2.45*	2.95
Suburban	2.95	Not Offered

* Plus suburban mileage

The only increase in rates for present subscribers would be that experienced by three business subscribers who now have suburban service at \$4.45 per month and under the proposal would have 2-party business service at \$5.20 per month.

A field inspection was made by the staff on March 28, 1967. The staff prepared a memorandum based on this field trip, information requested from the company, and discussions with company representatives. This staff memorandum is received in evidence as Exhibit No. 1. The staff recommended granting the application but with additions to the area shown in Exhibits A and B of the application, as described in Exhibit 1 and shown on the map attached to the Exhibit as Attachment 1.

The primary development within the proposed special rate area is the Mt. Laguna Air Force Station. This station now has 13 base operations buildings and 46 residential units. Plans call for construction of a 58-unit housing tract for this base within the coming year.

The Mt. Laguna area is also a recreational area. The non-military development within the originally proposed S.R.A. in June 1966 was 140 residences, a church, a riding stable, three lodges, a combination general store and post office and two restaurants. Total non-military premises in June 1966 were 147 units. Military premises on the same date totaled 59 and all premises totaled 206 units (excluding 26 rental cabins having only transient occupancy).

The area originally proposed in the application embraced approximately 1.1 square miles with 206 total premises. The area recommended in Exhibit No. 1 is approximately 1.58 square miles and includes 216 premises, the density being 137 per square mile. This density is in the acceptable range for special rate areas. Enlargement of the originally proposed area by agreement of the company and the staff was to include additional residences and a church and a school previously excluded. The area of the S.R.A. including the recommended modification, consists of two adjacent rectangles; one covering the south 3/4 of Section 12 and the other one the east 3/4 of Section 13 extended 500 feet south into Section 24. (All Range 5 East, Township 15 South - San Bernardino Base and Meridian.)

In June 1966 applicant had 47 suburban residence services, three suburban business services, three urban residence services and six urban business services in the proposed Mt. Laguna S.R.A. Increasing development and activity at the Mt. Laguna Air Force Base has resulted in insistent demand by the Air Force for a better grade of service within the area proposed for special rate area treatment.

Applicant estimates that its annual revenue would decrease by \$400 after normal regrading. The increase in area described above would have a negligible effect on this estimate. It appears that granting the application as modified will result in improved service and is in the public interest; therefore,

The Commission finds that a public hearing is not necessary and that such increases in rates and charges as will result are justified and that, for the future, present rates, insofar as they differ from those herein prescribed, would be unjust and unreasonable upon the establishment of the Mt. Laguna Special Rate Area.

IT IS ORDERED that:

1. The Pacific Telephone and Telegraph Company is authorized to establish the Mt. Laguna Special Rate Area as requested in the application, with the modification recommended in Exhibit 1 and hereinabove described.
2. After the effective date of this order, applicant is authorized to file with this Commission, in conformity with General Order No. 96-A, exchange maps revised to show the Mt. Laguna Special Rate Area within the Pine Valley Exchange with a boundary substantially as hereinabove described and shown in Attachment A to Exhibit 1.
3. Applicant is authorized to file, in conformity with General Order No. 96-A, rates for service within the said special rate area, as set forth in Exhibit C attached to the application, and rules, as set forth in paragraph V of 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 establishment of the said special rate area.
4. Applicant is authorized to withdraw suburban telephone service within the Mt. Laguna Special Rate Area coincident with establishment of said special rate area.
5. The authorization to establish said special rate area granted herein, will expire unless exercised within fourteen months of the effective date of this order.

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

Dated at San Francisco, California, this 9th day of JUNE, 1967.

[Signature]
President

[Signature]

[Signature]
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.