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Decision No. 79441

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the Continental Telephone Company of California for authority to establish Extended Area service between the Big Pine Exchange and the Bishop Exchange and to withdraw message toll telephone service rates now in effect between said exchanges.

Application No. 52009  
(Filed July 1, 1970)

OPINION AND ORDER

The Continental Telephone Company of California filed on November 9, 1971, a petition for the modification of ordering paragraph 2 of Decision No. 77609 in Application No. 52009 relative to Executive Order No. 11615 of the President of the United States freezing prices and wages. Ordering paragraph 2 of Decision No. 77609 reads as follows:

"2. After not less than five days' notice to the public and to this Commission, Continental Telephone Company of California shall make effective, in the affected exchanges on the date on which extended area service is established therein, tariffs revised in accordance with General Order No. 96-A, to reflect the rate changes set forth in Exhibit B attached to the amended application herein, and shall coincidentally therewith cancel and withdraw message toll rates in effect between said exchanges."

The increased authorized rates will not increase applicant's level of earnings but will partially offset the costs of providing the improved service. Including the effects of the higher rates the total net annual effect is a loss of \$14,400 annually as detailed in Exhibit C of the application. Thus, these rate increases are consistent with the purposes of the Economic Stabilization Act of

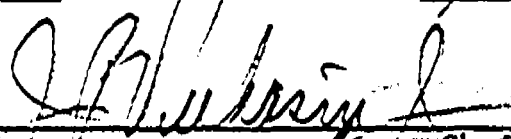
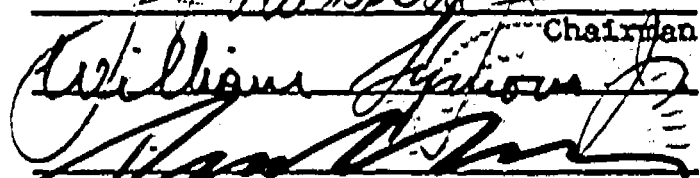


1970, as amended. Applicant is expected to comply with the requirements of the Price Commission's regulations relating to the stabilization of prices and rents after November 13, 1971.

Inasmuch as the rate increases are consistent with the purposes of the Economic Stabilization Act, and such increases in rates will be offset by higher costs, there is no need to modify ordering paragraph 2 of Decision No. 77609 as requested by applicant.

IT IS ORDERED that Continental Telephone Company's petition to modify ordering paragraph 2 of Decision No. 77609 is denied.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 7<sup>th</sup> day of DECEMBER, 1971.

  
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Chairman  
  
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Commissioners