

Decision No. 79928

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
General Telephone Company of California )  
for authority to establish extended )  
service between Applicant's Desert )  
Center and Eagle Mountain Exchanges, )  
to establish rates for said extended )  
service, to cancel and withdraw )  
present exchange service rates in said )  
exchanges and to cancel and withdraw )  
message toll telephone service rates )  
now in effect between said exchanges. )

Application No. 53153  
(Filed February 15, 1972)

OPINION AND ORDER

The General Telephone Company of California (hereafter referred to as Applicant) by this application requests the Commission to authorize on an ex parte basis the following:

1. Establish extended area service between the Desert Center and Eagle Mountain Exchanges;
2. Make the necessary changes and additions to its telephone plant to effectuate the said extended area service;
3. Cancel and withdraw message toll telephone service rates now in effect between said exchanges;
4. Cancel and withdraw the present rates for local exchange service now in effect in said exchanges; and
5. File and make effective rates set forth in Exhibit E of the application coincident with the establishment of extended area service.

Applicant is presently providing exchange telephone service in Desert Center and Eagle Mountain Exchanges in Riverside County. Schedules Cal. P.U.C. Nos. AB and A-1 enumerate the principal exchange services offered therein, the rates applicable thereto, and delineate the boundaries of said exchanges and the base rate areas

thereof. The geographical relationship between the two exchanges and the location of the base rate areas are set forth on the map, Exhibit B of the application. The present initial period day station toll rates between the two exchanges is \$0.15.

Listed below are the present and proposed exchange rates for Desert Center and Eagle Mountain. The Extended Area Service formula authorized by Decisions Nos. 77311 and 79367 (Appendices B) was used to determine these rates.

Item	Present		Proposed	
	Desert Center	Eagle Mountain	Desert Center	Eagle Mountain
<u>Business</u>				
Individual Line	\$13.20	\$13.20	\$14.40	\$13.80
Semipublic	6.60	6.60	7.20	6.90
PBX Trunks	19.80	19.80	21.60	20.70
<u>Residence</u>				
Individual Line	\$ 5.95	\$ 5.95	\$ 6.35	\$ 6.15
PBX Trunks	8.85	8.85	9.50	9.20

Applicant made a customer survey in the two areas to determine customer response to the proposed extended area service plan. The large majority of customers answering the inquiry favor the proposal. A summary of the survey results is shown in Exhibit G attached to the application.

The increased authorized rates will not increase applicant's level of earnings since the additional revenues will partially offset the higher cost of providing the improved service. Including the effects of the higher rates the total net annual revenue effect is a loss of \$2,800, as detailed in Exhibit H 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.

Applicant requests authorization to make necessary changes in plant to effectuate the extended service, but it has not indicated what changes are necessary. However, it is not necessary to make a finding on this point, and the order herein will authorize the extended area service.

It appears that granting the application will result in improved service in the public interest. Therefore the Commission finds that a public hearing is not necessary; that present exchange rates, insofar as they differ from those herein authorized, will become unjust and unreasonable upon the establishment of extended area service; that the proposed rates are reasonable for the extended service; and that the company's application should be granted.

IT IS ORDERED that General Telephone Company of California is authorized as follows:

1. Introduce extended area service between the Desert Center and Eagle Mountain exchanges;
2. Cancel and withdraw present rates for local exchange service now in effect on said exchanges, and file and make effective the proposed rates set forth in Exhibit E of the application coincident with the establishment of extended area service as proposed; and
3. Cancel and withdraw the message toll telephone rates between said exchanges.

4. The authorization to implement this order shall expire unless exercised within twelve 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 11<sup>th</sup> day of APRIL, 1972.

[Signature]  
Chairman  
William J. [Signature]  
[Signature]  
[Signature]  
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Commissioners