

Decision No. 86464

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE
AND TELEGRAPH COMPANY for authority
to establish one-way non-optional
Extended Area Service from the Cayucos
Exchange to the San Luis Obispo Exchange
and to withdraw message toll telephone
service rates now in effect on calls
from the Cayucos Exchange to the
San Luis Obispo Exchange.

Application No. 56641
(Filed July 23, 1976)

O P I N I O N

The Pacific Telephone and Telegraph Company (Pacific) requests authority to offer one-way non-optional Extended Area Service (EAS) from Pacific's Cayucos Exchange to its San Luis Obispo Exchange. Pacific also requests authority to withdraw the present message toll telephone service rates now in effect on calls from the Cayucos Exchange to the San Luis Obispo Exchange.

Pacific's San Luis Obispo Exchange, located in San Luis Obispo County, covers an area of 209 square miles. The San Luis Obispo Exchange is the governmental, economic, social and recreational center for the surrounding environs. The exchange population is estimated at 40,000 and it contains about 20,000 telephone users. It is the County Seat.

The Cayucos Exchange covers an area of 58 square miles, has an estimated population of 3,000 and approximately 1,250 telephone subscribers. Cayucos is a small coastal agricultural and recreational community north of San Luis Obispo. This area is not self-sufficient and depends to large extent on the San Luis Obispo area.

Pacific states that establishment of EAS is responsive to the needs of Cayucos Exchange customers, evidenced by customer appeals to the California Public Utilities Commission, to Pacific and substantiated by statistical data. The Cayucos Chamber of Commerce and the Cayucos Citizens Advisory Council have given their unqualified support to the plan.

The high volume of present toll calling from the Cayucos Exchange to the San Luis Obispo Exchange is an indication of the need for one-way non-optional extended service. On an average, a Cayucos residence customer calls San Luis Obispo four and a half times a month over a toll route costing 17 cents for the first minute (day rate). Business customers call 12 times a month.

Pacific proposes monthly rate increments of \$1.35 for residence customers and \$4 for business customers (except PBX trunks and semipublic phones where the increments are \$6 and \$2.70, respectively) for one-way non-optional extended service from the Cayucos Exchange to the San Luis Obispo Exchange. These increments are the so-called Salinas increments, authorized by the California Public Utilities Commission in Decision No. 77311. Present and proposed monthly rates are as follows:

<u>Class of Service</u>	<u>Present Monthly Rate</u>	<u>Proposed Monthly Rate</u>
<u>Business</u>		
Individual line	\$14.55	\$18.55
2-Party line	10.75	14.75
Suburban	9.75	13.75
PBX trunks	21.75	27.75
Semi-Public Coin	6.80	9.50
<u>Residence</u>		
Individual line	\$ 5.70	\$ 7.05
2-Party line	4.75	6.10
4-Party line	3.85	5.20
Suburban	4.35	5.70

The projected annual dollar effect of substituting one-way non-optional Extended Area Service for the present toll calling from the Cayucos Exchange to the San Luis Obispo Exchange is a deficiency of \$27,200.

The establishment of one-way non-optional Extended Area Service from Pacific's Cayucos Exchange to its San Luis Obispo Exchange will better meet its customers' calling requirements.

The application is in the public interest. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:


1. The Pacific Telephone and Telegraph Company (Pacific) undertake all necessary steps to establish one-way non-optional Extended Area Service (EAS) from Pacific's Cayucos Exchange to its San Luis Obispo Exchange. Concurrently with the establishment of EAS Pacific shall cancel and withdraw message toll rates in Pacific's Cayucos Exchange for calls to its San Luis Obispo Exchange.

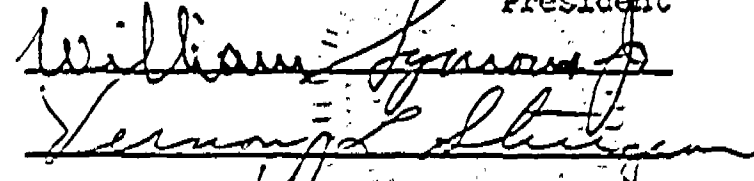
2. Within six months of the establishment of EAS from the Cayucos Exchange to the San Luis Obispo Exchange Pacific shall report to the Commission in writing, the actual revenue effects, actual expense change, actual incremental investment changes, actual cost of ownership change, and net effect based on the first full three months of EAS operation.

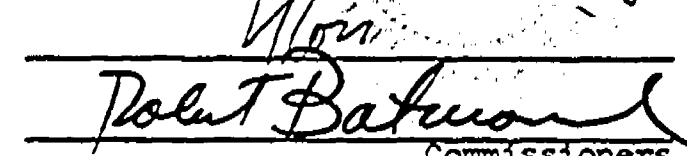
3. On not less than ten days notice to the public and to the Commission and coincident with establishment of the EAS authorized hereinabove, Pacific is authorized to charge the monthly exchange rate increments for the Cayucos Exchange as proposed in Exhibit B attached to Application No. 56641.

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

Dated at San Francisco, California, this 5th
day of OCTOBER, 1976.



President


Vice President


Commissioners