

# Sonic Cable may deregulate

Sonic Cable Television of Santa Cruz is moving to deregulate its service to 4,000 homes in unincorporated areas of Santa Cruz County.

The company also serves residents in Capitola and Watsonville under separate agreements with those cities.

Sonic told Santa Cruz County it intended to deregulate in a letter dated April 29, said Pat Bush, assistant county administrator.

"We're evaluating it," Bush said, "We'll be reporting it to

the board."

If the deregulation takes place, Sonic will be able to charge what it likes to customers in unincorporated parts of the county.

"We're not going to raise them to where we're going to price ourselves out of business," said Les Johnson, the company's general manager.

Sonic rate for basic service in unincorporated parts of Santa Cruz County is currently \$10.95 a month, Johnson said.

That rate and the rate for

Capitola have not increased in the past three years, although the cost of providing the service has risen, Johnson said.

According to Johnson, the company is allowed to deregulate under state law, AB 1279, which took effect in January 1984.

The law states cable companies serving areas that have at least five television channels may deregulate its service, if they meet

In most parts of Santa Cruz County, homes have access to six television channels, Johnson said.

He added that the company won a challenge to an attempt to deregulate in San Luis Obispo.

Sonic, which recently gained permission from the Watsonville City Council to raise rates for basic service to \$8.95 a month — an increase of \$1 a month, — has no immediate plans to deregulate in Watsonville, Les Johnson, general manager said.

The company is currently seeking to renew its agreement to serve Capitola, Johnson said. They are seeking the renewal under federal law which provides no government regulation of rates, Johnson said.