

Decision No. 19308.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, for an order authorizing changes in specified exchange areas; authorizing changes in interexchange and intraexchange charges to be specified, and authorizing just and reasonable exchange rates, together with rules and regulations appertaining thereto.

ORIGINAL

Application No. 13795

James T. Shaw, Vice-President, Alfred Sutro and Max Thelen, Attorneys, for The Pacific Telephone and Telegraph Company.
Albert I. Loeb, for California Northern Hotel Association.
J. J. Deuel, L. S. Wing, and Edson Abel, for the California Farm Bureau Federation.
Seth Mann, for San Francisco Chamber of Commerce.
John J. O'Toole, City Attorney, and Dion Holm, Assistant City Attorney, for the City and County of San Francisco.
William J. Locke, City Attorney, for City of Alameda.
Earl J. Sinclair, City Attorney, for City of Berkeley.
L. K. Fraser, City Attorney, for City of Albany.
George E. Sheldon, for Uptown Association of Oakland.
Preston Higgins, City Attorney, C. Stanley Wood and George C. Perkins, Assistant City Attorneys, for City of Oakland.
Earl Warren, District Attorney, for the County of Alameda.
John Francis Neylan, Grove J. Fink and John D. Costello, for John Francis Neylan and for themselves individually.
J. W. Coleberd, for City of South San Francisco.
Arthur Joel, for San Francisco Restaurant Association.
E. I. De Laveaga, for Orinda Improvement Association.
Ralph E. Prentice, as an individual subscriber.
William Seward Scott, for Business Men's Association of the Bay District.
J. F. Vizzard, for Draymen's Association of San Francisco and the California Transfer and Storage Association.
S. H. Ilderton, for Ilderton-Lion Travel Company, representing the Travel Companies.
John F. Shea, for California Northern Hotel Association.
Mrs. Harold E. Cardwell, as an individual subscriber.
Charles W. Wolfe, as an individual subscriber.
Mrs. Alice Caton, for Alameda Housewives' League and North Side Protective Club.
Arthur M. Carden, City Attorney, for City of San Leandro.

Harry See and G. F. Irvine, for Brotherhood of Rail-
way Trainmen.
Charles Clifford, for Sharon Building, Exhibit, and as
subscriber.
J. G. Marshall, for Applicant, The Pacific Telephone
and Telegraph Company.
A. W. Elkinton, for Telephone Committee of Orinda.
Edward W. Jensen, resident of Orinda, protestant.
Harry R. Oakley, resident of Orinda, protestant.
William H. Jordan, Berkeley, protestant.
E. J. Hadden, resident of Orinda, protestant.

DECOTO, SEAVEY, AND CARR, COMMISSIONERS:

PRELIMINARY OPINION

ON PETITION TO ESTABLISH ORINDA EXCHANGE

In this proceeding now pending before this Commission, The Pacific Telephone and Telegraph Company requests, among other things, that it be authorized to modify its East Bay Exchange Area and to establish a new exchange area to be known as the Orinda Exchange; and also, to establish certain rates and charges for telephone service in said proposed Orinda Exchange in the County of Contra Costa, State of California.

At a hearing of the general proceeding involving the rates and service of the entire San Francisco and East Bay Areas, it was urged by applicant that the request for the establishment of a separate exchange at Orinda be considered as a special matter and not be delayed to the completion of the main proceeding. It appears that the extension and addition of plant for the serving of the Orinda Area has been held up pending the disposition of this matter. It would be to the advantage of all concerned that a speedy determination of the question be had in order that the public of Orinda would not be further inconvenienced in the matter of delayed telephone installations. A hearing of the application, insofar as it refers to a request for a separate exchange at Orinda, was held at Orinda on December 29, 1927, evidence and

testimony received and the matter submitted for decision.

The particular request of the applicant before the Commission for decision is that it be authorized to establish an Orinda Exchange, taking in a portion of the San Pablo Valley east of the Berkeley Hills, territory generally designated as Orinda, in which there at present are some fifty-six telephone subscribers now being served mainly on suburban lines from the East Bay Exchange. It is proposed that this district be severed from the East Bay Exchange, a separate exchange established with local exchange rates and toll rates charged for telephone communication between Orinda and the East Bay territory. Applicant proposes, if authority is granted, to install a modern automatic central office and to render a high class local exchange service in Orinda. A primary rate area is proposed which would include forty-six of the fifty-six existing subscribers' services. It is contemplated that over a three-year construction period the investment would total \$105,000. It appears that the local exchange would not pay its full cost for some time in the future.

The territory considered at present is included in the East Bay Exchange Area and is the only large portion east of the Berkeley Hills not served by a separate exchange. The district has been for a long time and now is being served with ten-party telephone service from the East Bay Exchange. At present, there are fifty-two suburban line and three one-party line subscribers and one private branch exchange subscriber served in the district.

The territory generally from a physical standpoint is isolated from the East Bay Exchange Area by a district comprising the Berkeley Hills, which probably will not be built upon for a long period in the future. During the past few years, a considerable development in summer and permanent residences has been

carried on in the center of this district generally adjacent to the Orinda Country Club and Orinda Park. Probably one hundred permanent or summer residences and a few stores now are established. The telephone requirements have increased fairly rapidly in the past few years. There have been continued demands for added service and requests have been made by certain applicants for better than ten-party suburban service. The district in which the majority of the present telephone subscribers are located has been subdivided and there are at least one thousand lots, most of which have been sold, but on which only a small development now exists.

The evidence indicates a very definite community of interest between this district and the East Bay metropolitan area. Most of the subscribers are closely connected in a business or social way with the East Bay and a number of the residences are for summer occupancy, being owned by East Bay people. At the present time, the main use of the telephone service is for calling between Orinda and the metropolitan area west of the Berkeley Hills, approximately ninety per cent. of the calls being across the hills and only ten per cent. locally.

The testimony indicates that practically all the present subscribers desire that the service be continued as a part of the East Bay Exchange. The majority of subscribers state they are content with ten-party service, although a few desire a better grade of service. It does not appear that the range of use between local and East Bay service among the subscribers is great enough to justify the establishment of a local zone or exchange at the present time.

The evidence indicates that it will be necessary for the applicant to install a toll cable connecting this district with the East Bay Exchange, whether it establishes a local ex-

change or central office, or continues to render service from the East Bay Exchange. It would appear that the present and near future demands can be supplied by the installation of cable facilities contemplated for the exchange installation and that the needs of the community can be met for considerable time in the future without the necessity of establishing a central office at Orinda. It is probable that in time, when its population has materially increased, the local Orinda district will develop a local community interest which will make advisable the establishment of a separate exchange with toll or message charges to the East Bay district, but we are convinced from the facts presented and the attitude of the existing and prospective subscribers that, at the present time, and for some time in the future, the establishment of a local exchange is not justified.

It is our recommendation that the application be denied and that the applicant take steps immediately to install the necessary facilities to render adequate service in this district as a part of the East Bay Exchange Area.

PRELIMINARY ORDER
ON PETITION TO ESTABLISH ORINDA EXCHANGE

The Pacific Telephone and Telegraph Company having filed application with this Commission proposing the establishment of local exchange service within the district generally designated as Orinda and the changing of certain boundaries of the East Bay Exchange Area and the establishment of certain local exchange rates and interexchange rates from and to the proposed Orinda Exchange, and the matter having been heard and the Railroad Commission having fully considered the evidence, this Commission hereby finds that the establishment of a separate

telephone exchange at Orinda will not at this time be in the interest of the subscribers or the public of Orinda or of the East Bay Exchange Area.

IT IS HEREBY ORDERED therefor that the application of The Pacific Telephone and Telegraph Company for the establishment of the Orinda Exchange and certain other authority necessary to such establishment be denied without prejudice.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

For all other purposes, the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 6th day of February, 1928.

Leon White
Chas. J. ...
Emm ...
Thos. ...
Commissioners.