

Decision No. 30563

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY, a corporation, for per-
mission to publish, file and place
in effect rates for exchange, inter-
exchange and telegraph service at
Orinda, Contra Costa County, California

Application No. 21602

ORIGINAL

James G. Marshall and Arthur T. George, for Applicant.

BY THE COMMISSION:

O P I N I O N

The Pacific Telephone and Telegraph Company in this proceeding requests authority to establish a separate exchange at Orinda and to make effective rates for interexchange telephone and message telegram service, and for extended and other types of exchange service. A public hearing in the application was held by Examiner C. C. Brown at Orinda on December 14, 1937.

At the present time the one hundred and eighty subscribers located in the Orinda community are receiving telephone service as a part of the East Bay zone of the San Francisco-East Bay exchange. The service is furnished by means of ten-party suburban lines without mileage charges, and individual and two-party lines with mileage charges. It is proposed to establish exchange and base rate area boundaries for an Orinda exchange as shown on Exhibit No. 2 filed at the hearing. Some of the present and proposed rates for Orinda are set forth in

Exhibit No. 2. Applicant proposed local service rates and extended service rates for Orinda. The proposed local rates are on a lower level than those now effective in the Orinda territory. Orinda local subscribers would have a toll-free calling area limited to the Orinda exchange area. The level of the extended service rates would be higher than that of the local schedules but comparable to extended service rates effective for similar service under similar conditions elsewhere in the East Bay area. An Orinda extended service subscriber would have a toll-free calling area which would include the Orinda, Lafayette, and Moraga exchanges and all of the East Bay zone except the Alameda, Fruitvale, and Trinidad central office districts. Such extended service subscriber would pay a ten-cent initial period charge to call subscribers in these three central office districts to which he now may call toll-free. As Orinda is now a part of the East Bay zone, subscribers in that area now may call into the San Francisco zone for a transbay charge of ten cents. The establishment of a toll rate point at the location of the Orinda central office would result in the discontinuance of the ten-cent transbay charge for calls between Orinda and San Francisco and in lieu thereof fix a fifteen-cent interexchange rate.

It is shown in Exhibit No. 3 that there would be numerous decreases and increases in the charges for service between Orinda and outside toll points. In Exhibit No. 4 it is shown that the effect of making Orinda a separate exchange would be an increase of \$207.40 per month for toll and interzone messages to present subscribers based upon a three months' usage study. The establishment of the Orinda base rate area, which was proposed as a part of the separate exchange plan, would result in a reduction or elimination of mileage charges amounting to \$252.10 per month. The over-all effect of the proposal as made would be a net reduction of \$1,626.60 per year to Orinda subscribers. No estimate of the increase in charges to subscribers elsewhere who now may call Orinda subscribers at present rates was presented. No change in message telegram rates

was proposed for the Orinda area.

As of July 20, 1937, there were seven subscribers in the Lafayette exchange area who were receiving East Bay zone service under a foreign exchange service schedule. Applicant would discontinue this schedule and would offer only partial substitutes. The establishment of the Orinda exchange changes Lafayette exchange, from the group of exchanges which are contiguous to the East Bay zone, to the non-contiguous group. Telephone service between non-contiguous exchanges frequently is furnished in California under foreign exchange schedules. It appears that a schedule of East Bay zone foreign exchange service furnished in the Lafayette exchange area, acceptable to the Commission, should be made effective coincident with the various other Orinda rate schedules. It is proposed to withdraw East Bay zone foreign exchange service from the Moraga exchange. We believe this should not be withdrawn at this time, but should be modified to eliminate the dual service requirement. An Orinda subscriber to foreign exchange service from a contiguous exchange would not be required to take service from the local Orinda exchange.

Coincident with the establishment of the Orinda exchange, some material changes in directory service are required. It was stipulated at the hearing that the plans for directory service would be submitted to the Commission in proposal form before they would be made effective.

Applicant filed as Exhibit No. 5, a statement indicating that the establishment of the Orinda exchange and the introduction of extended service would entail an additional plant investment of \$29,500, a decrease in revenue of \$1,300 per year, and a reduction in net revenue of \$6,960 on an annual basis. No showing was made as to the investment in the Orinda

area or as to the cost to applicant of operating the telephone system in the area at present or at any future time. At the present time subscribers in the area may use their telephone service in calling within the Orinda area, and on a toll basis in calling to toll points throughout the country. Foreign exchange service also is furnished across the boundary line which separates the Orinda area from other exchanges.

The Commission will request of the Company certain periodic statements as to revenue, expense and plant for this and other exchanges in the extended service area.

It is proposed to establish a dial system in the Orinda area. As this will require several months to complete, it is desired to furnish service to Orinda from the Berkeley central office at the proposed rates until the dial central office is established. We believe that the service changes proposed in this application should not be withheld until the new equipment is in place, but should be made effective at an early date, as will appear in the Order herein.

At the hearing in Orinda many residents and business men expressed their interest in the Company's proposal. Some objected to the proposed increases in charges for messages between Orinda and San Francisco and to the introduction of toll charges for messages to certain central office districts of the East Bay Zone. However, the Company's proposal to establish an Orinda exchange with a dial central office and to eliminate mileage charges by the fixing of an Orinda base rate area met with the approval of all who expressed their views.

We believe the application should be granted as set forth in the following Order:

O R D E R

The Pacific Telephone and Telegraph Company having applied to the Railroad Commission for an order authorizing the establishment of a separate exchange in the Orinda area with a toll rate center therein and rates for local and extended service therefor, a public hearing having been held:

The Railroad Commission of the State of California Hereby Finds as a Fact that the establishment of the Orinda exchange is justified.

IT IS HEREBY ORDERED that The Pacific Telephone and Telegraph Company

- (1) May establish a separate exchange at Orinda with exchange and base rate areas as shown on the map in Exhibit No. 2 filed at the hearing.
- (2) May make effective in the Orinda exchange, schedules of rates and charges as set forth in Exhibit No. 2 filed at the hearing and such other rates and charges as may be accepted by the Commission.
- (3) May establish an interexchange rate center at the proposed location of the Orinda central office with interexchange telephone rates fixed in accordance with applicant's California toll service rate plan.
- (4) Shall make effective a revised schedule of rates for East Bay zone foreign exchange service furnished in LaFayette exchange area, coincident with the effective date of (1) above.
- (5) Shall make effective a revised schedule of rates for East Bay zone foreign exchange service furnished in Moraga exchange area which would eliminate the dual service requirement coincident with the effective date of (1) above.
- (6) Shall establish a dial central office at Orinda on or before eight (8) months from the date of this Order.

The authority granted in (1), (2) and (3) above is subject to acceptance of (4), (5) and (6) above and to the

conditions that:

- (a) That the effective date thereof shall be concurrent and not subsequent to March 1, 1938.
- (b) The necessary rate schedules and maps showing exchange and base rate areas shall be submitted to the Railroad Commission for filing not later than fifteen (15) days preceding the effective date thereof.

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 31st day of January 1938.

Walter H. ...
Leon ...
Frank R. ...

... & ...
Commissioners