

Decision No. 40457

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER & TELEPHONE COMPANY, a corporation, for permission to give exchange telephone service to the unincorporated town of Joshua Tree, San Bernardino County, California, and surrounding territory, and to publish, file and make effective rates for exchange service and for interexchange service in connection with said exchange telephone service.

ORIGINAL

Application No. 28447

A. W. Lambert for Applicant

POTTER, Commissioner:

O P I N I O N

In this application, California Water & Telephone Company, a corporation, engaged in the business of furnishing telephone service in portions of Los Angeles, San Bernardino, San Diego, and Riverside Counties seeks authority to establish a telephone exchange and to file rates for exchange service in the unincorporated town of Joshua Tree, San Bernardino County. A hearing was held in this matter on June 4, 1947.

The proposed Joshua Tree exchange area includes approximately 526 square miles of territory, of which 288 square miles are now a part of the Applicant's Twenty-Nine Palms exchange area and 238 square miles are unassigned territory. A map of the proposed exchange area and its relation to the Twenty-Nine Palms exchange is filed as Exhibit A attached to the application. The unassigned territory proposed for inclusion in the Joshua Tree exchange is contiguous to and southeasterly of the Big Bear Lake exchange of the Interstate Telegraph Company. The evidence shows that the Interstate Telegraph Company is agreeable to the inclusion of the unassigned territory within the Applicant's proposed Joshua Tree exchange area.

Under Applicant's proposal, a new and separate exchange, including a base rate area as shown in Exhibit 6 and a new toll rate center will be established, and a local distribution system, with a single position common battery switchboard arranged for semi-selective signaling will be installed to serve Joshua Tree and surrounding territory. Applicant further proposes to offer one-, two-, and four-party line service in addition to suburban service from the Joshua Tree switchboard on a 24-hour daily basis. Directory listing, directory advertising, and certain miscellaneous exchange services also are proposed. Message toll telephone service and message telegram service between Joshua Tree exchange and other exchanges and toll stations are proposed to be furnished over the lines of The Pacific Telephone and Telegraph Company and in accordance with tariff schedules to be filed by the said Pacific Company.

At the present time no exchange service is being furnished in the proposed Joshua Tree exchange area, but telephone service on a toll basis is furnished by The Pacific Telephone and Telegraph Company to the following five toll stations in the territory: Joshua Tree Ranch, Yucca Valley, Morongo No. 1, Morongo No. 2, and Morongo No. 3. Upon the establishment of Joshua Tree exchange, it is proposed that exchange service will be furnished to the Joshua Tree Ranch and Yucca Valley toll stations and that the toll station service at the other three locations will be continued until outside plant is available for connecting these stations to the switchboard at Joshua Tree. The evidence reveals that The Pacific Telephone and Telegraph Company is agreeable to Applicant's proposal subject to the approval of the Commission.

The effect of establishing a new toll rate center for the Joshua Tree exchange and of serving the five toll stations on an exchange basis is to introduce toll rates between Joshua Tree and Twenty-Nine Palms, increase toll charges over certain routes, decrease toll charges over other routes, and leave unchanged toll charges over still other routes. Exhibit 11 shows typical toll routes together with the present and proposed toll rates applicable. Exhibit 12 shows that, based on a three months' study of toll usage for the period January to March, 1947, inclusive,

Joshua Tree toll users will experience gross annual increases in toll charges estimated at \$210, decreases of \$32.76, or net annual increases of \$177.24 as a result of establishing a new toll rate center at Joshua Tree and of serving the five toll stations on an exchange basis. Copies of letters from the five toll station customers expressing their agreement to the discontinuance of the toll stations as soon as exchange and toll service are available from the proposed Joshua Tree exchange are filed in this proceeding as Exhibit 5.

The proposed rates for exchange services are set forth in Exhibit B attached to the application and Exhibit 7 filed in this proceeding and are comparable to the rates on file for similar services in other exchanges of the company. The principal exchange rates requested may be summarized as follows:

<u>Class of Service</u>	<u>Rate Per Month - Desk or Hand Set Station[#]</u>	
	<u>Business Service</u>	<u>Residence Service</u>
One - party	\$ 5.00*	\$ 3.75*
Two - party	4.00	-
Four - party	-	2.75*
Ten - party suburban	4.00	2.75
Extension, with or without bell on same premises	1.00	1.00

The rates shown, with the exception of those for extension stations, are after discount of 25 cents for prompt payment of monthly bills.

* Rate applies within the base rate area.

Applicant estimates that the average fixed capital investment for the first year's operation of the proposed exchange will amount to \$33,663. In Exhibit 9 Applicant shows the estimated results of the first year's operation of Joshua Tree exchange, as follows: revenues \$11,230, expenses \$10,475, net available for return \$755, ratio of net available for return to average fixed capital 2.24%. Applicant estimates that the average number of stations to be served during the first year will be 112.

At various times in the past, Applicant has been consulted by residents of the Joshua Tree area regarding the establishment of a separate exchange to provide an improved service to that area. Exhibit 2 filed in this proceeding shows a list of 38 residents of Joshua Tree who have indicated a desire for telephone service in their homes and places of business at the earliest possible date. A list of 60

signed applications for Joshua Tree exchange telephone service, as of November 18, 1946 is in evidence as Exhibit 3.

No one has offered any objection to the telephone service arrangements and rates which have been proposed.

The evidence indicates there is a requirement for additional and improved telephone service in the Joshua Tree area. Establishment of an exchange at Joshua Tree, in accordance with Applicant's request, should result in an improved service to that community, and its establishment will be authorized, contingent upon the completion of (1) a suitable local distribution system at Joshua Tree, including a common battery switchboard; and (2) the provision of 24-hour telephone service..

The following form of Order is recommended.

O R D E R

California Water & Telephone Company having requested authority to establish a telephone exchange at Joshua Tree, and to establish exchange rates, and the matter having been submitted for decision, the Public Utilities Commission of the State of California hereby finds as a fact that the establishment of a telephone exchange by California Water & Telephone Company at Joshua Tree with the rates authorized herein is justified, therefore,

IT IS HEREBY ORDERED as follows:

1. California Water & Telephone Company is authorized to establish a telephone exchange at Joshua Tree on or before June 30, 1948.
2. California Water & Telephone Company is authorized to file in accordance with General Order No. 96 and to make effective in the Joshua Tree exchange, coincident with establishment of the exchange as hereinabove described in the body of this Opinion, and on not less than ten (10) days' notice, the exchange area and base rate area maps and the rates and charges for exchange service as set forth in Exhibits A, 6, B, and 7, respectively, filed in this proceeding.

3. This Order shall become effective on the twentieth day after the date hereof.

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

Dated at San Francisco, California, this 28th day of June, 1947.

Harold P. Huls
Justin F. Cooney
Chas. H. Russell
A. J. Dunning
Bennett Potter
Commissioners.