

Decision No. 42129

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY, a corporation,

for authority to file and place into
effect a schedule of rates for ex-
tended exchange service in the
Felton, Ben Lomond and Boulder Creek
exchanges, and to cancel and with-
draw rates now on file for local
exchange service in these exchanges.

ORIGINAL

Application No. 29656

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

HULS, COMMISSIONER:

O P I N I O N

The Pacific Telephone and Telegraph Company, applicant in this proceeding, requests authority to file extended service rates in its Ben Lomond, Boulder Creek, and Felton exchanges, Santa Cruz County, and to cancel its present local exchange service rates and rates for message toll telephone service among these three exchanges coincident with its offering of extended service under dial operation.

A public hearing in this proceeding was held at Felton, on October 6, 1948, at which time the matter was submitted for decision.

The communities of Ben Lomond, Boulder Creek, and Felton are situated along the San Lorenzo River, approximately six, nine, and 11 miles, respectively, northwest of Santa Cruz. The applicant now furnishes exchange telephone service, within these three

exchanges utilizing magneto type manual central office equipment. Telephone service among the exchanges is furnished on a toll basis under message toll telephone rates. The number of stations served by these exchanges has increased about 240% since 1940. As of July 31, 1948, the applicant served 342 stations in Ben Lomond, 575 in Boulder Creek, and 517 in Felton, or a total of 1,434.

Due to the substantial growth which has been evident in these three exchanges, and the relatively narrow confines of the San Lorenzo Valley, various civic groups and subscribers have from time to time expressed a desire for valley-wide toll-free service. In order to meet these service requirements, the company proposes to offer extended type service in the Ben Lomond, Boulder Creek, and Felton exchanges, and to replace the present magneto central office facilities with three community dial offices. Under this arrangement, subscribers to service in any one of the three exchanges will be able to dial directly all other subscribers served from the three exchanges without the payment of a toll charge. Assistance, information, and calls to points beyond the San Lorenzo Valley exchanges will be handled by the operators at Santa Cruz. Coincident with the offering of extended service, the applicant desires to cancel its present rates for local service. The rates which the applicant proposes for extended service are higher than the present local service rates. The proposed new rates are as follows: Fifty cents (\$0.50) per month higher for business individual line service and twenty-five cents (\$0.25) per month higher for business two-party line and suburban service; also twenty-five cents (\$0.25) higher per month for residence individual line, two-party, four-party and suburban service. In addition, the applicant proposes increases in rates for private branch exchange trunks, semipublic coin-box individual line service and Boulder Creek farmer line service. No

changes are proposed with respect to message telegram rates or message toll telephone rates except to cancel such message toll telephone rates among the three exchanges.

The applicant will also revise the alphabetical listing in the Santa Cruz County telephone directory of the subscribers in these three exchanges, and the listings will be combined into a single alphabetical group. There will be no change in the present classified section of the telephone directory.

It is estimated that these increases in exchange rates will result in annual revenue increases of \$4,600 which will be partially offset by annual decreases in toll charges amounting to \$3,800. Thus, the over-all effect of the plan is to increase charges to subscribers approximately \$800 annually. The company estimates it will experience a net annual expense saving of \$4,400 and that its gross expenditures will amount to approximately \$232,000.

While the applicant has indicated it will require approximately one year following the receipt of the Commission's authorization to install and place the dial central office facilities in service under the extended service plan, counsel for the applicant indicated every effort would be made to expedite the introduction of the proposed serving arrangements.

Witness for the company testified that consideration had been given to the request of certain interested parties to include Santa Cruz exchange within the scope of the extended service and that, while it was not practicable at this time, the company would be willing to study the matter.

Mr. Thomas Hill, of the San Lorenzo Valley Property Owners Association, and Mr. H. L. Bigelow stated they favored the company's plan. Mr. James O'Brien, President of the San Lorenzo Valley Lions Club, indicated that his organization endorsed the application of the company.

A resolution, signed by 16 representatives of various civic organizations of Ben Lomond, Boulder Creek, and Felton, stating their approval of the company's plan, is filed as Exhibit 5.

No one appeared in opposition to the granting of the application. Several subscribers, however, expressed their dissatisfaction with the present service. While the Commission will have its staff investigate these complaints, it appears that the introduction of dial operation with full selective signaling on four-party lines and semi-selective signaling on ten-party lines should mitigate the cause for many of these service difficulties.

In view of the manifest public requirement for extended service under dial operation within the Ben Lomond, Boulder Creek, and Felton exchanges, it appears that the application should be granted.

The following form of order is recommended:

O R D E R

The Pacific Telephone and Telegraph Company having applied to the Public Utilities Commission of the State of California for an order authorizing establishment of extended service rates in the Ben Lomond, Boulder Creek, and Felton exchanges in Santa Cruz County, a public hearing having been held and the matter having been submitted for decision,

IT IS HEREBY FOUND AS A FACT that the increases in rates herein authorized are justified; therefore,

IT IS HEREBY ORDERED as follows:

1. The Pacific Telephone and Telegraph Company, is authorized to file and publish in accordance with General Order No. 96, the rates for extended service set forth in Exhibit A attached hereto and as discussed in the preceding opinion, and after not less than thirty (30) days' notice to the Commission and to the public, to make said rates effective coincident with the conversion of the Ben Lomond, Boulder Creek, and Felton exchanges to dial operation for service furnished on and after that date, but not later than December 31, 1949.

EXHIBIT A

SAN LORENZO VALLEY EXCHANGES

Felton, Ben Lomond and Boulder Creek

Rates for Extended Service

<u>Service</u>	<u>Rate per Month</u>
<u>Business</u>	
Each individual line station	\$ 5.25
Each two-party line station	4.25
Each suburban line station	4.00
Each farmer line station	1.00*
Each coin semipublic station	.18 minimum charge per day
<u>Residence</u>	
Each individual line station	\$ 3.50
Each two-party line station	3.00
Each four-party line station	2.50
Each suburban line station	3.00
Each farmer line station	.60*
Each private branch exchange trunk line	\$ 7.75

* Boulder Creek Exchange only

The above rates comprehend service without toll charges to all stations served from Felton, Ben Lomond, and Boulder Creek exchanges.

2. The Pacific Telephone and Telegraph Company is authorized to cancel its rates for local exchange service within the Ben Lomond, Boulder Creek, and Felton exchanges and its message toll telephone rates among the said three exchanges coincident with the establishment of extended service as authorized in paragraph 1 above.
3. The effective date of this order shall be twenty (20) days from and 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.

(72) Dated at ~~San Francisco~~ ^{Los Angeles}, California, this 19th day of October, 1948.

R. J. Friedman
Justus F. Cramer
Harold Kule
Herbert Lott

Commissioners