

MBS

Decision No. 45118

ORIGINAL

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 discontinue operation
 of its telephone exchange at Diablo,
 to include the Diablo exchange area
 within its Danville exchange area, to
 file and place into effect a schedule
 of rates for extended service in the
 Danville exchange, to expand the offer-
 ing of extended service in the Walnut
 Creek exchange and to cancel and with-
 draw rates now on file for local exchange
 service in the Diablo and Danville
 exchanges.

Application No. 31782

Arthur T. George and Dudley A. Zinke for applicant;
J. J. Deuel and Eldon Dye for California Farm
 Bureau Federation; Vance Perry for Walnut Creek
 Chamber of Commerce; Oscar Schumacher for Danville
 Chamber of Commerce; Mrs. Stanley Friden for
 Diablo Property Owners Association; A. T. Geldermann,
 Real Estate Broker, Interested Party; T. Eugene
 Haney, Publisher of The Valley Pioneer.

O P I N I O N

The Pacific Telephone and Telegraph Company, a corporation and applicant in this proceeding, by the above-entitled application filed September 22, 1950, requests authority to discontinue its exchange at Diablo, Contra Costa County, enlarge the area of its adjacent exchange at Danville to include the area now within its Diablo exchange, to place into effect extended service rates in its enlarged Danville exchange, and to cancel and withdraw its filed rates for local exchange service in Diablo and Danville exchanges. A copy of applicant's proposed rates for principal classifications of extended exchange service is attached to the application

and marked Exhibit "B." A public hearing on this application was held before Examiner Edwards on November 14, 1950 at Danville, California. At this hearing, applicant's witness, as well as several subscribers, testified to the need for this change in service.

The community of Danville is located approximately 7 miles south of Walnut Creek in the San Ramon Valley and the community of Diablo approximately 2 miles northeast of Danville. During the period 1940 to 1950, the population in Danville and Diablo has increased approximately 92% and there has grown a strong community of interest between the telephone users in these two places and in Walnut Creek. The growth in number of telephones in these two exchanges in this same period has been 179%, from 386 stations as of January 1, 1940, to 1,074 as of June 30, 1950. Telephone service in both exchanges is furnished by magneto central office equipment which is rapidly becoming inadequate and outdated.

To improve service, applicant proposes the erection of a new central office building in Danville and the installation therein of dial central office equipment. Upon completion, the Diablo exchange would be consolidated with the Danville exchange and local service replaced by extended service to Walnut Creek. A map of the proposed Danville exchange after consolidation with the Diablo exchange was submitted as Exhibit No. 1 in this proceeding. Extended service will enable the subscribers in the new Danville exchange area to call Walnut Creek without toll charge.

The present initial period station toll rate between Danville and Diablo, Danville and Walnut Creek, and Diablo and Walnut Creek is 10 cents and the volume of traffic over these routes is such that after the change to extended service, the applicant expects toll revenue to decrease by \$15,000 per year. This loss in toll revenue would be regained, in part, by savings in expenses and annual charges. Annual charges are expected to decrease by \$1,500, and commercial,

accounting and traffic expenses by \$8,100 per year. The remaining loss of approximately \$5,000, applicant seeks to recover by means of increased exchange rates. It proposes to raise the basic monthly flat residential rates by 25 to 75 cents and the business rates by \$1.50 to \$2.75, the increase varying as between the various grades of service offered. The proposed rates are identical with the rates now applicable to the corresponding classifications of extended exchange service in the Walnut Creek exchange.

One of the advantages of the proposed change is that Walnut Creek subscribers will be able to call the subscribers in the proposed enlarged Danville exchange area without toll charge. Coincident with the establishment of dial service in Danville, the applicant proposes that the Walnut Creek extended area be enlarged to include the Danville area.

Several subscribers, as well as representatives of civic and business organizations, appeared at the hearing and made statements in support of the proposed plan. The representative of the Walnut Creek Chamber of Commerce testified that the proposal is definitely of advantage to the residents and business people of Walnut Creek. The representative of the Chamber of Commerce of Danville spoke of the inconvenience of the present equipment and asked that the change be made promptly as in the end there would be a saving despite the increase in monthly rates. A subscriber corroborated the testimony of the representative from Danville and added that the present system is antiquated.

There was no opposition manifested to the proposed increase in monthly flat rates with the increase in local calling area. Likewise, there was no opposition to the fact that the rates for certain toll calls within a 40-mile radius of Diablo will be increased because of a shift of the toll rate center from Diablo to Danville. The applicant's proposed plan offers a number of advantages to the public

and it will be authorized. The increased rates will be authorized to become effective upon the completion of the necessary plant additions and rearrangements. Applicant indicated it will take approximately one year after the date authorization is received to obtain, install, and place this new system in operation.

O R D E R

The Pacific Telephone and Telegraph Company having applied to this Commission for authority to consolidate the Diablo exchange with the Danville exchange, to institute extended service and place higher rates into effect upon the installation of dial central office equipment as hereinabove explained, a public hearing having been held, the matter having been submitted and now being ready for decision,

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

IT IS HEREBY ORDERED AS FOLLOWS:

1. The Pacific Telephone and Telegraph Company is authorized, upon completion of a dial system installation in the Danville exchange and other necessary plant construction and rearrangements, to discontinue its Diablo exchange, expand the Danville exchange to include the area now within the Diablo exchange, enlarge the Danville base rate area as indicated on Exhibit No. 1, presented in evidence and provide extended service between the Danville and Walnut Creek exchanges.
2. The Pacific Telephone and Telegraph Company is authorized to file with this Commission after the effective date of this order, in conformity with General Order No. 96, the rates for extended service set forth in Exhibit A attached hereto and, on not less than five (5) days' notice to the Commission and to the public, to make said rates effective coincident with the establishment of the extended service plan in the Danville exchange.

3. The Pacific Telephone and Telegraph Company is authorized to cancel its rates for local exchange service in the Diablo and Danville exchanges and its message toll telephone rates between the Danville and Walnut Creek exchanges and between the Diablo exchange and all other exchanges within the State of California, coincident with the establishment of extended service.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 12th day of December, 1950.

R. Z. Dwyer
Justin F. Casper
Chas. Lawrence
Harold H. Hula
Permette P. Pottel
Commissioners.

AUTHORIZED RATES
DANVILLE EXCHANGE

Rates for Extended Service

	<u>Rate per Month</u>
<u>Residence Flat Rate</u>	
Each individual line station	\$ 4.25
Each two-party line station	3.50
Each four-party line station	3.00
Each suburban line station	3.50
Each farmer line station	1.00
<u>Business Flat Rate</u>	
Each individual line station	8.00
Each two-party line station	6.25
P.B.X. trunks, each*	12.00
Each suburban line station	4.75
Each farmer line station	1.75
Each joint user service:	
Individual line or party line service	2.00
Semipublic service	1.50
P.B.X. service	4.00
<u>Semipublic Coin Box</u>	
Each individual line semipublic coin-box service, daily guarantee	0.20
Rate per month	0.75**

* Business P.B.X. service minimum trunk requirement two trunks per system.

** In addition to the daily guarantee.

The above rates comprehend service without toll charges as follows:

<u>From Stations Receiving Service From</u>	<u>To Stations Receiving Service From</u>
Danville exchange	Danville and Walnut Creek exchanges