

ORIGINALDecision No. 48224

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation upon the Commission's)
 own motion to ascertain the present)
 and potential demands for and)
 availability of facilities for)
 telephone service, and the need)
 for and propriety of emergency)
 modification of current rules or)
 practices to facilitate the)
 furnishing of telephone service.)

Case No. 5337

Appearances and list of witnesses
 are set forth in Attachment 1.

INTERIM OPINION

Demands for new telephone service and for upgrading of service in California continue unabated. Since the end of World War II, the 60 telephone companies have expended millions of dollars for new plant. During the year 1951 a total of 254,000 new stations were added to telephone systems but the companies still ended the year with 126,000 held orders for service.

The inability of the companies to keep abreast of demands for service, for whatever reasons, has inconvenienced the public and to some extent has hampered military effectiveness.

Under these circumstances, the Commission, in November, 1951, on its own motion ordered an investigation to ascertain the present and potential demands for service, the probable availability of facilities and the possible need for modification of current rules to facilitate installations in order to provide better service to the public.

Responsibility for Service

The Commission has the responsibility of requiring telephone corporations, as defined in the Public Utilities Code, to "furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities as are necessary to promote the safety, health, comfort and convenience of its patrons, employees and the public."^{1/}

Public hearings on this order of investigation were held on September 15, 1952 in San Francisco and December 3, 1952 in Los Angeles, before Commissioner Peter E. Mitchell and Examiner M. W. Edwards. Representatives of the utilities, industry, and the public organizations in California attended.

A state-wide Telephone Industry Committee was formed by the companies to assemble relevant data. As a result Exhibit No. 1 was presented in this proceeding, entitled "Telephone Service in California, September 15, 1952." This Commission acknowledges and appreciates the work of the committee and those who prepared statistical data for the report. A list of telephone utilities which were respondents to this order of investigation is set forth in Attachment No. 2.

The Evidence of Record

California's population has increased from 6,907,000 in 1940 to approximately 11 millions. Manufacturing has grown even faster than population, and both have increased far more rapidly in California than elsewhere in the nation. The number of telephone stations increased from 1,787,277 in 1940 to 4,019,903 in 1951, or 124 per cent.

^{1/} Section 451 of Public Utilities Code.

The 275,000 held orders for new service at the end of World War II were reduced to 110,000 by 1949, but orders increased to 117,000 by July 1, 1952. Industry committee witnesses predicted that during 1953 the number of held orders would be reduced and that by 1956 there will be not more than 17,000 such held orders. This would amount to four-tenths of one per cent of stations in service and would be considered a normal backlog.

The industry cited difficulties in obtaining materials and equipment and the necessity of furnishing service to military establishments as reasons for delays in installing new stations.

Industry witnesses recommended against modification of any Commission rules relative to priorities in installation of telephone stations, in order to maintain proper standards of service. For the same reason they also recommended against an increase in the number of stations per line.

Conclusions

From all information available, the Commission is of the opinion that although the telephone corporations have made progress in reducing the number of held orders, this investigation should be continued. It is apparent from the recent increase in the number of held orders that the telephone industry must continue greater than normal efforts to construct additional plant necessary to take care of increased needs for service. Since the date of the last hearing there has been a relaxation of controls and the material situation should improve.

It does not appear, at the present time, that modification of Commission rules would assist in providing better service to the public.

INTERIM ORDER

The Commission, having instituted on its own motion an investigation to ascertain the present and potential demands for and availability of telephone service, and being informed after public hearings, orders that this investigation in Case No. 5337 shall be continued until further notice by this Commission.

IT IS HEREBY FURTHER ORDERED that each respondent hereto shall file with this Commission, not later than thirty days after the close of each quarter, quarterly reports showing separately the number of unfilled applications for main service and the number of unfilled requests for regrades of service. Such reports shall commence with the quarter ending March 31, 1953 and shall continue until further order herein.

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

Dated at San Francisco, California, this 24th day of March, 1953.

A. J. [Signature]
President.
Justus F. [Signature]
Harold P. [Signature]
[Signature]
[Signature]
Commissioners.

ATTACHMENT 1

LIST OF APPEARANCES

For Respondents: The Pacific Telephone and Telegraph Company, by Francis N. Marshall; Associated Telephone Company, Ltd., by Marshall K. Taylor; California Water & Telephone Company and West Coast Telephone Company of California, by Charles de Y. Elkus, Jr. of Bacigalupi, Elkus & Salinger; Petrolia Telephone Company, by Mrs. Langdon; Telephone Industry Committee, by Marshall K. Taylor and Francis N. Marshall.

Interested Parties: City and County of San Francisco, by Dion R. Holm and Paul L. Beck; California Farm Bureau Federation, by Eldon N. Dye and J. J. Deuel; City of Los Angeles, by Roger Arnebergh, T. M. Chubb and R. W. Russell; California Independent Telephone Association, by Frank V. Rhodes and Marshall K. Taylor.

Other Appearances: C. G. Ferguson, Utilities Division, for the Commission staff.

LIST OF WITNESSES

Evidence was presented on behalf of the Telephone Industry Committee, by Thomas A. Taylor; Chairman, H. W. Holmwood, Vice Chairman; and Frank V. Rhodes and Russell J. Loveland, Members.

LIST OF RESPONDENTS

Associated Telephone Company, Ltd.
 Lily Berg Telephone Company
 Bigelow Telephone Company
 Butte Meadows Telephone and Telegraph Company
 William Butts Telephone Company
 Calaveras Telephone Company
 California-Oregon Telephone Company
 California-Pacific Utilities Company
 California Water & Telephone Company
 Capay Valley Telephone System
 Citizens Utilities Company of California
 Coachella Valley Home Telephone & Telegraph Company
 Colfax Telephone Exchange
 Colorado River Telephone Company
 Colusa County Telephone Company
 Corcoran Telephone Exchange
 Delta Telephone and Telegraph Company
 Dorris Telephone Company
 The Dos Palos Telephone Company, Inc.
 Ducor Telephone Company
 The Evans Telephone Company
 Exeter Telephone Company, Ltd.
 Farmington Telephone Company
 Foresthill Telephone Exchange
 Gilroy Telephone Company
 Mrs. Josephine O. Hamilton Telephone Company
 Happy Valley Telephone Company
 The Independent Telephone Company
 Interstate Telegraph Company
 Kerman Telephone Company
 Kern Mutual Telephone Company
 Kernville Telephone Company
 Lassen Telephone Company
 Lemon Cove Telephone Exchange
 Livingston Telephone Company
 Los Gatos Telephone Company
 Mariposa Telephone Exchange
 McCloud Telephone Company
 McFarland Telephone Company
 Monticello Telephone Exchange
 The Pacific Telephone and Telegraph Company
 Petrolia Telephone Company
 Raymond Telephone Company
 Richardson Springs Telephone Company
 Roseville Telephone Company
 Sanger Telephone Company
 San Joaquin Telephone Company
 San Miguel Interurban Telephone Company
 Shasta Telephone Company
 Siskiyou Telephone Company
 Snelling Telephone Exchange
 Sunland-Tujunga Telephone Company
 Tuolumne Telephone Exchange
 The Volcano Telephone Company
 West Coast Telephone Company of California
 The Western Telephone Company
 * The Western Union Telegraph Company
 White River Telephone Exchange
 R. C. Zuckerman

* No longer operates telephone business.