

ORIGINALDecision No. 49755

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 the Irvington, Mission)
 San Jose and Warm Springs exchanges,) Application No. 35113
 to establish a new exchange to be)
 called South Washington to serve the)
 area now included in those three)
 exchanges and to establish a rate)
 center for the South Washington)
 exchange.)

OPINION AND ORDER

By this application, filed on February 1, 1954, The Pacific Telephone and Telegraph Company seeks authority (1) to discontinue the Irvington, Mission San Jose and Warm Springs exchanges in Alameda County; (2) to cancel the presently effective tariffs in these three exchanges; (3) to establish a new exchange to be known as South Washington to serve the area now included in the said three exchanges with exchange and base rate area boundaries as shown in Exhibit A of the application; and (4) to establish exchange rates and a rate center for the South Washington exchange.

The Company alleges that the area under consideration in this application is experiencing rapid residential growth. One stimulus to this development is the new assembly plant of the Ford Motor Company which is under construction about 5 miles from Warm Springs. Another contributing factor is the East Bay-San Jose Freeway which is under construction in the area.

It appears that the central office equipment in each of the three exchanges, located in leased buildings, has either reached or is approaching its ultimate capacity. After study, the company

has concluded that the establishment of a single exchange would be the most economical long-range serving arrangement for this southerly portion of Washington Township.

All three of the exchanges have the same level of rates for exchange service and subscribers in each exchange may call, without additional toll or message unit charges, all of the telephones served by the following exchanges:

<u>Exchange</u>	<u>No. of Company Stations As of 11-30-53</u>	<u>Exchange</u>	<u>No. of Company Stations As of 11-30-53</u>
Alvarado	247	Mission San Jose	163
Centerville	1,125	Newark	782
Decoto	950	Niles	1,033
Irvington	484	Warm Springs	109
			<u>4,893</u>

The present basic monthly rates for exchange telephone service in Irvington, Mission San Jose and Warm Springs are as follows:

<u>Service</u>	<u>Present Monthly Rate</u>
<u>Residence</u>	
Individual line flat rate	\$4.55
Two-party line flat rate	3.75
Four-party line flat rate	3.20
<u>Business</u>	
Individual line flat rate	7.75
Two-party line flat rate	6.25

Applicant proposes to establish exchange rates for the South Washington exchange at levels corresponding to those in effect for the Irvington, Mission San Jose and Warm Springs exchanges at the time the new exchange is established. It should be pointed out that this company, in Application No. 33935, is seeking higher rates on a state-wide basis. Typical monthly rates being sought for the above-mentioned three exchanges, for example, are \$4.95 for residence individual line service, \$3.30 for residence four-party line service, and \$8.50 for business individual line service.

The application shows that the base rate area of the proposed exchange will include all territory now encompassed in the present three base rate areas. However, the Commission will expect applicant to make periodic reviews of these base rate areas and to file for expansion of such base rate areas as conditions justify.

In connection with the consolidation of the three exchanges, applicant plans to establish a new rate center in the northwest quarter of the northeast quarter of Section 3, Township 5 South, Range 1 West, Mount Diablo Base and Meridian. The establishment of this new rate center, and the discontinuance of the respective rate centers of the three exchanges involved, will result in some increases over certain routes and in some decreases over other routes for message toll telephone and message unit traffic. Applicant estimates that the aggregate of these changes will result in a reduction in annual charges to subscribers of approximately \$1,000.

At the present time calls between Irvington, Mission San Jose and Warm Springs are handled at the Hayward toll switchboard.

Establishment of the new exchange will enable all subscribers in the present three exchanges to dial each other directly. Applicant requests authorization to carry out its plans as proposed in its application and as discussed above on or before February 28, 1956.

The Chambers of Commerce of Irvington and Mission San Jose, the Washington News of Centerville, and Brown's General Merchandise of Warm Springs in letters attached to the application, have indicated their support for the plans of the applicant to consolidate the three exchanges.

The Commission has considered the above-entitled matter and is of the opinion that the consolidation of the Irvington, Mission San Jose, and Warm Springs exchanges as proposed should improve service

and will not be adverse to the public interest, that a public hearing thereon is not necessary, and that the application should be granted as herein provided.

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges herein authorized are justified and that the present rates, in so far as they differ from those herein prescribed, for the future are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED as follows:

1. Applicant, after the effective date of this order and on or before February 28, 1956, may discontinue its Irvington, Mission San Jose and Warm Springs exchanges and cancel its presently effective tariff schedules applicable in said three exchanges coincident with the establishment of the South Washington exchange as discussed herein to serve the area now included in the said three exchanges.
2. Coincident with the establishment of the South Washington exchange, applicant is authorized to make effective in the new exchange the presently effective rates, rules and regulations applicable in the Irvington, Mission San Jose and Warm Springs exchanges, except that a new rate point in lieu of the present three rate points is authorized to be established for the South Washington exchange in the northwest quarter of the northeast quarter of Section 3, Township 5 South, Range 1 West, Mount Diablo Base and Meridian.
3. Necessary tariff filings including maps of the South Washington exchange and base rate area boundaries, in accordance with General Order No. 96, shall be made on not less than ten days' notice to the Commission and to the public.

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

Dated at Los Angeles, California, this 7th day of March, 1954.

R. T. [Signature]
President

Justus F. [Signature]
[Signature]
[Signature]
[Signature]
Commissioners