

ORIGINALDecision No. 52182

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 publish, file and place in effect)
 exchange and interexchange rates in)
 an exchange to be designated Sequoia.)

Application No. 37337

OPINION AND ORDER

The Pacific Telephone and Telegraph Company, by the above-entitled application, filed on September 27, 1955, seeks authority to (1) establish an exchange to be known as Sequoia, with exchange and base rate area boundaries as shown in Exhibits B and C, respectively, filed herein; (2) establish exchange and toll rates for the Sequoia exchange; (3) revise the Three Rivers exchange boundary as shown in Exhibit B; and (4) establish as a deviation Three Rivers residence suburban service furnished to Grace B. Frary within the proposed Sequoia exchange.

It appears from the application that telephone service within the Sequoia National Park¹ is now furnished by the National Park Service, by means of a one-position magneto switchboard serving approximately 118 stations; that connections with applicant's toll facilities are made at a point near the park boundary; that the National Park Service requested applicant to give consideration to providing and maintaining telephone service in Sequoia National Park and adjacent park areas in lieu of that now furnished by the Park

¹ Also Kings Canyon National Park, the Cedar Grove area and the communities of Mineral King and Silver City located in Sequoia National Game Refuge.

Service; that following applicant's study of the telephone service requirements in Sequoia and preparation of an inventory and appraisal of the Government telephone facilities, applicant made an offer to the Government to purchase said facilities and assume the responsibility for providing adequate telephone service in Sequoia Park for the use of the Park Service, its concessionaires, their employees and the general public; and that applicant's offer has been accepted by the Government.

Applicant and the Government entered into a contract² on July 18, 1955 relating to the furnishing by applicant of telephone service in Sequoia National Park and adjacent park areas. Under the terms of this contract the Park Service authorizes the applicant to engage in a general telephone business within Sequoia National Park and adjacent park areas for a period of 20 years. The parties agree among other things, that applicant will purchase the Government telephone facilities for \$20,998 plus cost of additions and replacements and less retirements made between October 24, 1952 and the in-service date; that applicant will pay the Government 15 per cent of the cash contents, excluding tax of public coin stations at locations under direct operating control of the Park Service; and that no service connection, line extension, installation, or construction charge shall be applied to any service furnished by applicant within said park areas or to any control circuits furnished by applicant for sewer, water and fire alarm systems within said park areas generally at locations where, immediately prior to the in-service date, the Park Service is furnished such service or circuits. Section 9 of said contract provides as follows:

"The rights and obligations of the parties hereto are expressly conditioned upon approval by the Public Utilities Commission of the State of California of a proposal satisfactory to the Park Service for the initial establishment by the Telephone Company of telephone service, rates and charges within said Parks."

² Exhibit A attached to the application.

To meet the telephone requirements in the Sequoia area, applicant proposes to establish an exchange with dial central office equipment to serve an estimated 165 telephone stations during the first year of operation. Applicant further proposes to care for the telephone requirements of the general and transient public through provision of adequate public and semipublic exchange and toll stations. It is proposed that the more developed sections of Ash Mountain, Giant Forest and Lodgepole Camp be included within the Sequoia exchange area. Applicant also proposes to transfer a small portion of the Three Rivers exchange to the Sequoia exchange in order that a residential area for park employees will be within the Sequoia exchange boundary. The application shows there is one subscriber, Grace B. Frary, receiving Three Rivers residence suburban flat rate handset station service at a rate of \$3.20 per month located in the portion of the Three Rivers exchange proposed to be transferred to Sequoia who desires to retain the Three Rivers service. Applicant asserts that it is willing to continue this service on a deviation basis as an exchange line extending across an established exchange area following establishment of the Sequoia exchange.

Applicant anticipates that the station development in the proposed Sequoia exchange will vary widely between winter and summer. For this reason, applicant proposes that the exchange rates to be established correspond to those for seasonal exchanges as authorized by this Commission in its Decision No. 46270, dated October 8, 1951, and as continued in Decision No. 50258, dated July 6, 1954. The rates which applicant proposes are shown in Exhibit D of the application and, for the principal classifications of exchange service, may be summarized as follows:

	<u>Rate per Month</u>	
	<u>Business</u>	<u>Residence</u>
Individual line flat rate	\$6.50	\$4.05
Two-party line flat rate	5.25	3.50
Four-party line flat rate	-	2.95
Suburban 10-party line flat rate	4.75	3.45

With respect to toll rates, applicant proposes that the present toll rate center for Ash Mountain³ be the toll rate center for the Sequoia exchange and that applicant's message toll telephone tariffs on file with this Commission be applicable to message toll telephone traffic between this toll rate center and all other toll rate centers in Sequoia National Park and in the State of California.

Applicant estimates that the establishment of the proposed Sequoia exchange can be accomplished during the third quarter of 1956 and that the entire project will require an expenditure of \$371,400,⁴ more than half of which will be for toll facilities. In response to the Commission's letter of October 10, 1955, the applicant furnished as part of the record the estimated exchange plant, revenue and expense effects, using separation methods consistent with the Commission's finding in its Decision No. 50258, dated July 6, 1954. This information shows estimated local service revenues of \$7,900, estimated exchange expenses, excluding income taxes of \$16,585, and estimated exchange investment of \$180,060.

The company is placed on notice that in any future rate proceeding this Commission will not burden applicant's other customers in California with any deficiency in rates occasioned by this application.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary, and that the granting of the application as herein provided will not be adverse to the public interest.

IT IS HEREBY FOUND as a fact that such increases in rates or charges as will result from a granting of this application are

³ The block and section designation of Ash Mountain is Z 12-s.

⁴ Exhibit F attached to the application.

justified and that present rates, in so far as they differ from those herein prescribed upon the establishment of the Sequoia exchange, are unjust and unreasonable, therefore,

IT IS HEREBY ORDERED as follows:

1. Applicant be and it is authorized to carry out the terms and conditions of the written contract, dated July 18, 1955, with the United States Government, and to establish the Sequoia exchange and telephone service.
2. Applicant shall notify this Commission of the date of termination of said contract within thirty days from and after said date of termination.
3. Applicant is authorized to file with this Commission after the effective date of this order and on or before June 30, 1957, in accordance with General Order No. 96, the rates, conditions, rules and regulations for exchange telephone service and for message toll telephone service as set forth in Exhibit D attached to the application and as discussed above and maps of the exchange and base rate areas substantially as set forth on Exhibits B and C, respectively, attached to the application, and, after not less than ten days' notice to the Commission and to the public, to make such rates effective for telephone service in the Sequoia exchange, coincident with its establishment.
4. The proposed revision in the boundary of the Three Rivers exchange as set forth in Exhibit B of the application is authorized to be made effective coincident with the establishment of the Sequoia exchange.
5. Upon establishment of Sequoia exchange, applicant is authorized to establish, as a deviation, the Three Rivers residence suburban service furnished Grace B. Frary as set forth in the application and as mentioned herein. Such deviation is authorized subject to Pacific Company's practice of discontinuing such deviation when there is a change in the recipient of the service, a change in service arrangement, or a change in location of the service at the subscriber's request. Within five days after the effective date

of this order, applicant shall notify Grace B. Frary of applicant's practice on this deviation and shall file a copy of such notice with this Commission.

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

Dated at San Francisco, California, this 1st day of November, 1955.

John E. Mitchell
 President

Raul A. Hernandez

Matthew J. ...

B. ...

Commissioners