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ORIGINAL

Decision No:

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 Clovis exchange,)
 expand the present Fresno exchange)
 area to include therein the present)
 Clovis exchange area and establish)
 two district areas in the Fresno)
 exchange.)

Application No. 37769

Arthur T. George, Pillsbury, Madison & Sutro by
Dexter C. Tight, for applicant.
J. J. Deuel and Bert Buzzini, for California Farm
 Bureau Federation; Neal C. Hasbrook, for
 California Independent Telephone Association;
Alden C. Knaab, for Sanger Telephone Company;
William G. Sebastian, for Kerman Telephone
 Company; Ernest W. Watson, for General Telephone
 Company of California; Nicholas H. Dubsick and
John B. Weldon, for City of Clovis; Floyd I.
Klein, for Fresno County and City Chamber of
 Commerce; Norman H. Holt, for Sanger Chamber of
 Commerce; Abraam Krushkhov, for Fresno-Clovis
 Area Planning Commission; Mrs. Ruth R. Clarke,
 for Clovis Women's Club; Clyde Barnett and
Wayne Rall, in propria personae; interested
 parties.
W. W. Dunlop and J. B. Balcomb, for the Commission
 staff.

ORDER REQUIRING COMPLETION OF STUDIES

The above-entitled matter was filed on February 21, 1956 and the first day of public hearing thereon was held before Examiner M. W. Edwards on July 23, 1956, in Fresno. Following this first day of hearing the Commission carefully analyzed the record and decided that further study of the proposed consolidation of the Fresno and Clovis exchanges should be made. Accordingly, on November 27, 1956, the Commission issued an order setting aside submission and required the preparation of certain studies.

On December 14, 1956, applicant filed a petition for resubmission without further study or for extension of time to April 30, 1957, to file said study.

Under date of December 13, 1956, the City of Clovis addressed a letter to the Commission requesting that the Commission reconsider its order of November 27, and approve the original application on file so that the consolidation can be effected immediately.

On December 18, 1956, the California Farm Bureau Federation addressed a letter to the Commission indicating that the proposal was not the best solution of the problem and that the application should have been for extended service between Fresno and Clovis, and suggested an investigation to determine the requirements for extended service between the Fresno exchange and other exchanges around the boundary of the Fresno exchange.

Additional Hearing

These requests were considered and an additional day of hearing was scheduled for January 16, 1957, to explore the need for investigation on the Commission's own motion into the telephone service in the Fresno exchange and adjacent exchanges and the need for extended service therein.

Motion to Separate Proceeding

Shortly after the hearing was opened the applicant made a motion that Application No. 37769 be submitted and the record with regard to the investigation matter be separated from Application No. 37769. Such motion is denied.

Need for Investigation

The California Farm Bureau called some 16 persons to testify and to show the need for an investigation on the Commission's own motion. These persons lived in various exchanges around the Fresno exchange boundary and generally stated that they should benefit from extended service.

The president of the Sanger Telephone Company indicated that approximately 55 per cent of its toll business was for calls to Fresno and desired 30 days to determine how long it would take to

study the plant, revenue and expense effects of extended service. He foresaw some boundary problem if the Clovis and Fresno exchanges were consolidated.

The president of the Kerman Telephone Company questioned the need for extended service, but he had no objection to preparing a study. He did not think that the authorization of the merger of the Clovis and Fresno exchanges would affect his area.

With regard to the Fowler exchange, served by the General Telephone Company, its General Commercial Manager indicated that his company would cooperate in the studies, which would take approximately six months, if the Commission found them necessary.

Conclusions

After considering the additional testimony presented on January 16, 1957, it is the Commission's opinion that the adoption of the applicant's proposal would lead to boundary problems and for this reason the applicant will be afforded the opportunity to amend its request to one of extended service in lieu of consolidation of the Fresno and Clovis exchanges. The evidence shows that under applicant's proposal and under the assumption that Centralized Automatic Message Accounting is inaugurated, the proposed rates will show a deficiency compared to present revenue of approximately \$15,000 annually. The need for further studies by applicant is apparent and the original studies should be completed.

The question of extended service for the whole area should be held in abeyance pending receipt of letters, within 30 days, from Kerman and Sanger Companies which will indicate the length of time required to make extended service studies.

IT IS HEREBY ORDERED that the studies required by the Commission's order of November 27, 1956, be completed and the required filing date of January 2, 1957, is advanced to May 31, 1957.

The boundary for the denser area of the Clovis exchange for the purposes of the study is, on the north, a line 500 feet north of Copper Avenue; on the east, a line 500 feet east of Thompson Avenue; and on the south and west, the present Clovis exchange boundary.

IT IS FURTHER ORDERED that the appearances herein will be allowed until June 14, 1957, to reply to the study and express their views in writing to the Commission should they care to do so. Applicant will be afforded the opportunity to present a closing statement in writing on or before July 1, 1957, and include therein answers to any of the replies which the Commission may receive from the appearances. The matter will be considered resubmitted on the receipt of applicant's closing statement.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 25th day of February, 1957.

[Signature]
President
[Signature]
[Signature]
[Signature]

Commissioners

Commissioner Rex Hardy, being necessarily absent, did not participate in the disposition of this proceeding.