

ORIGINAL

Decision No. 55718

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 transfer a portion of the San Juan )	Application No. 39104
Capistrano exchange to the Santa Ana )	(Amended)
exchange and to establish two district )	
areas within the Santa Ana exchange. )	

Arthur T. George, and Pillsbury, Madison & Sutro, attorneys, by Charles B. Kenfrew, for applicant.

Joseph Q. Jovnt, attorney, for California Farm Bureau Federation; C. J. Marks, executive secretary, for Orange County Farm Bureau and Associated Chambers of Commerce, Orange County; Ralph H. Keller, for California Non-Metallics; Mrs. Ray Strine, for Joplin Boys' Ranch; and Esther A. Mills, postmaster, Trabuco Canyon; Mrs. Charlotte Kirkland, Fred Schwendeman, Mrs. Joyce Windringer, Mr. and Mrs. Grady Glenn, Leon Jump, Arthur C. Hutcheson, Mrs. W. D. Beardslee, Hattie L. Gibson, Leonard Schwendeman, and R. L. Beavers, Sr., in propria personae; interested parties.

Melvin E. Mezek, for the Commission staff.

O P I N I O N

The Pacific Telephone and Telegraph Company by the above-entitled application filed May 29, 1957, as said application was amended at the hearing,<sup>1/</sup> seeks an order authorizing it, within a period not to exceed eighteen months after the effective date of the order herein, to (1) transfer a portion of its San Juan Capistrano exchange to its Santa Ana exchange as shown on the map, Exhibit No. 1, filed at the hearing; (2) establish two district areas in its ~~Santa Ana exchange to be designated Santa Ana and~~...

<sup>1/</sup> Amendment to application was filed with the Commission on October 1, 1957.

Trabuco, respectively, as shown on Exhibit No. 1 (supra); (3) file and make effective, coincident with the establishment of the Trabuco district area, rates as shown on Exhibit No. 3 filed at the hearing; (4) establish a local service area for the Trabuco district area to include stations receiving service from the Trabuco and Santa Ana district areas of the Santa Ana exchange, and stations receiving service from the Orange and San Juan Capistrano exchanges, and expand the local service area of the Orange and San Juan Capistrano exchanges and the Santa Ana district area of the Santa Ana exchange to include all stations receiving service from the Trabuco district area; (5) establish a toll rate center for the Trabuco district area for measurement of interexchange rate mileages up to 40 miles distant from said Trabuco district area toll rate center and utilize the existing toll rate center of the Santa Ana exchange for determining interexchange rate mileages in excess of 40 miles from said Trabuco district area toll rate center.

A public hearing was held before Commissioner Ray E. Untereiner and Examiner Stewart C. Warner on September 25, 1957, at Santa Ana. Approximately 41 persons, including present and potential subscribers in the Trabuco Canyon area, and representatives of the California Farm Bureau, Orange County Farm Bureau and Associated Chambers of Commerce of Orange County, were in attendance as interested parties and in support of the application. No protests to the granting of the application were entered.

The unincorporated territory of Orange County, comprising approximately 105 square miles, formerly known as the Trabuco Oaks area and now officially known as Trabuco Canyon is located approximately 23 miles south of the City of Orange, 25 miles east of the City of Santa Ana, and 20 miles by road north of San Juan Capistrano.

The community of Trabuco Canyon, itself, comprises an area of approximately 2 square miles, in which the majority of applicant's present subscribers reside. The Trabuco area contains scattered ranches, a few small businesses, a large recreation area and a number of cabin-type homes occupied, for the most part, the year round. The area is slightly east of the United States Marine Corps Air Base at El Toro and the community of Irvine, and is in the foothills near the base of Santiago Peak. Its community of interest, the record shows, is principally with Santa Ana and Orange, to some extent with San Juan Capistrano, and to a much lesser extent with Dana Point and San Clemente.

As of July 1, 1957, applicant was furnishing business 2-party line flat rate service to two subscribers, business suburban 10-party line flat rate service to 9 subscribers, and residence suburban 10-party line flat rate service to 34 subscribers, for a total of 45 subscribers. No other service was provided to applicant's subscribers as of that date.

Under the proposal offered by applicant in its application as amended, applicant will discontinue offering business 2-party line flat rate service and substitute therefor business individual line message service at the same monthly minimum rate as the present flat rate of \$6, including an allowance of a maximum of 75 messages per month. The rate for each exchange message over the allowance would be 4½ cents.

Under applicant's present rates in its San Juan Capistrano exchange, Trabuco subscribers may call subscribers served from the San Juan Capistrano exchange and from the Dana Point and San Clemente

exchanges toll free. The map, Exhibit No. 2, filed at the hearing shows the relative locations of applicant's exchanges in Orange County to the location of proposed local service area of Trabuco district area.

As shown on Exhibit No. 4 under the proposal contained in the application Trabuco district area subscribers will be able to call within applicant's Orange, San Juan Capistrano, and Santa Ana exchanges toll free, but calls to and from the Dana Point and San Clemente exchanges will be subject to message toll charges, as shown on said Exhibit No. 4. Savings in initial period day station message toll rates to nearby points from the proposed Trabuco district area over such present San Juan Capistrano toll rates are also shown on Exhibit No. 4 (supra).

No change is proposed in San Juan Capistrano, San Clemente, or Dana Point exchange rates except as noted hereinbefore.

Applicant proposes to offer all classifications of exchange service in the Trabuco district area, which are now offered in its Santa Ana exchange, at the proposed Trabuco district area rates shown in Exhibit No. 3 (supra). This means that subscribers may elect to receive, and the company will be obligated to furnish, all types of business and residence individual line flat rate service and other services now available in its Santa Ana exchange which have, heretofore, not been provided to Trabuco subscribers in the San Juan Capistrano exchange.

Applicant estimated that the initial cost of its proposed service arrangement, including the cost of including the San Juan Capistrano exchange within the local calling area of the proposed

Trabuco district area, would be \$32,000, with associated annual charges of approximately \$7,500. The net estimated increase of revenue to applicant which would result from the establishment of its proposed Trabuco district area rates would be \$175.

Applicant's witness testified, on cross-examination, that Trabuco subscribers would be furnished semi-selective ringing on 8- or 10-party lines, and full-selective ringing on individual 2- and 4-party lines, with not more than two rings on any one line. All exchange service in the proposed Trabuco district area will be converted to dial operation.

Applicant's witness testified that applicant's experience in other exchanges had shown that it took in the neighborhood of 18 months to effect a change in service arrangements of the nature and scope proposed herein.

It is clear that the proposal herein contained, when effected, will be of benefit to applicant's present subscribers and will attract additional subscribers to the proposed new Trabuco district area. Applicant's requested period of time to effect the changeover does not appear to be unreasonable.

From a review of the record the Commission is of the opinion, finds as a fact and concludes that the public interest requires that the application, as amended, be granted and the order hereinafter will so provide.

It is further found as a fact that the increases in rates and charges authorized herein are justified and that present rates, insofar as they differ from those herein prescribed, are, for the future, unjust and unreasonable.

Several subscribers complained of poor telephone service, particularly their inability to get a call through on the existing 8-party lines, even in medical and fire emergencies. Applicant's witness, its rate engineer for the southern California area, stated that applicant was not aware of the poor service conditions complained of, but testified further that applicant would immediately conduct an investigation into service conditions.

O R D E R

Application, as amended, having been filed, a public hearing having been held, the matter having been submitted and based upon the testimony and evidence of record and the findings,

IT IS HEREBY ORDERED as follows:

- (1) That The Pacific Telephone and Telegraph Company, a corporation, be and it is authorized to transfer a portion of its San Juan Capistrano exchange to its Santa Ana exchange, as shown on the map, Exhibit No. 1, filed at the hearing.
- (2) That applicant be and it is authorized to establish two district areas in its Santa Ana exchange to be designated Santa Ana and Trabuco district areas, respectively, as shown on the map, Exhibit No. 1, filed at the hearing.
- (3) That applicant be and it is authorized to file and make effective, coincident with the establishment of the Trabuco district area, the rates as shown on Exhibit No. 3, filed at the hearing.
- (4) That applicant be and it is authorized to establish a local service area for the Trabuco district area to include stations receiving service from the Trabuco and Santa Ana district areas of the Santa Ana exchange, and stations receiving service from the Orange and San Juan Capistrano exchanges, and expand the local service area of the Orange and San Juan Capistrano exchanges and the Santa Ana district area of the Santa Ana exchange to include all stations receiving service from the Trabuco district area.

- (5) That applicant be and it is authorized to establish a toll rate center for Trabuco district area for measurement of interexchange rate mileages up to 40 miles distant from said Trabuco district area toll rate center and utilize the existing toll rate center of the Santa Ana exchange for determining interexchange rate mileages in excess of 40 miles from said Trabuco district area toll rate center.
- (6) That applicant be and it is directed to effect the transfer, the establishment of two district areas, the filing and making effective of Trabuco district area rates, the establishment of the local service areas hereinbefore outlined, and the establishment of a toll rate center, all within a period not to exceed eighteen months after the effective date hereof.

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

Dated at San Francisco, California, this 22nd day of October, 1957.

(E. Mitchell)  
President

Paulo Interevene

M. D. ...

R. ...

T. L. Fox  
Commissioners