

Decision No. 57134**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
 own motion into the adequacy of)
 service of the GENERAL TELEPHONE)
 COMPANY OF CALIFORNIA, the)
 CALIFORNIA INTERSTATE TELEPHONE) Case No. 6058
 COMPANY, and THE PACIFIC TELEPHONE)
 AND TELEGRAPH COMPANY in the County)
 of Los Angeles and the County of)
 San Bernardino, State of California.)

(Appearances and Witnesses are listed
 in Appendix A)

O P I N I O N

The above-entitled investigation was instituted on February 10, 1958 for the purpose of determining: (1) Whether the service now rendered or contemplated to be rendered by any of the three above-listed telephone utilities in areas lying immediately outside any present exchange area bordered by the Lancaster, Palmdale, Ontario, San Bernardino, Victorville, Boron and Edwards exchanges within Los Angeles and San Bernardino counties, including but not limited to such communities as Hi-Vista, Wilsonia Gardens, Desert Springs, Wrightwood, Big Pines, Phelan, Littlerock, Clyde's Ranch, Smithsonian Observatory, Jackson Lake, and Llano is adequate; (2) Whether public convenience and necessity, presently or in the future, will require any extension, deletion, or improvement of service by any or all of the aforesaid telephone corporations; and (3) Whether any order or orders that may be appropriate should be entered in the lawful exercise of the Commission's jurisdiction.

Public Hearing

After due notice, public hearing on this investigation was held on a consolidated record with Applications Nos. 39569 and 39656

before Commissioner Ray E. Untereiner and Examiner Manley W. Edwards on July 17, 1958 at Wrightwood, California. The respondent utilities presented eight exhibits and testimony by six witnesses with regard to this investigation. The Commission staff presented four exhibits and testimony by one witness and cross-examined the utility witnesses for the purpose of developing a full record to aid the Commission in completing this investigation. Two exhibits and testimony were presented on behalf of the interested parties by four persons. The California Farm Bureau Federation took an active part in the hearing, cross-examined certain witnesses and entered a statement of position in the record. The matter was submitted, subject to receipt of certain late-filed exhibits, for Commission consideration at the close of the day's hearing and now is ready for decision.

Wrightwood Exchange Established

By concurrent decisions under Applications Nos. 39569 and 39656, the California Interstate Telephone Company is being authorized to establish a new exchange, designated the Wrightwood exchange, to cover the southern portion of the area under investigation, and The Pacific Telephone and Telegraph Company is being authorized to sell certain facilities and discontinue certain toll stations in the new Wrightwood exchange area. Such action removes from further consideration in this investigation the communities of Desert Springs, Wrightwood, Big Pines, Phelan, Clyde's Ranch, Smithsonian Observatory and Jackson Lake, as the new Wrightwood exchange should, in the Commission's opinion, provide adequate telephone service to such communities in the future.

Staff Action

The Commission staff, on March 4, 1958, directed a letter to each of the three utilities requesting them jointly to prepare a map of the general area under investigation which presently is

unassigned territory (e.g., located outside any exchange area) showing the location and quantity of present telephone facilities in the area and prospective telephone subscribers, as well as estimated costs of providing service in the area. In response to this request the utilities filed the map as Exhibit No. 1 in this proceeding and introduced testimony to explain their studies of the area.

The four exhibits presented by the staff showed toll rates and mileages between selected points in the area and nearby communities and cities, exchange rate comparisons, held order data for primary service and held requests for regrades of the three utilities, and comparison of exchange areas and longest call mileages in local calling areas.

Position of General Company

The General Telephone Company of California proposed to assume responsibility for providing adequate telephone service in the area east of and adjacent to its Lancaster exchange over to the Los Angeles County-San Bernardino County boundary line. In view of the sparse development in the area, General took the position that toll station service is an adequate and proper service for such area at this time. Its investigation showed that there were 130 permanent residences and two business establishments located in this approximate 120-square-mile area as of April 1, 1958. It considered only 45 of these as potential subscribers. The communities of Hi-Vista and Wilsonia Gardens are in this area.

Position of Pacific Company

The Pacific Telephone and Telegraph Company studied the area east of and adjacent to its Palmdale exchange over to the Los Angeles County-San Bernardino County boundary line. A recent field check of this approximate 114-square-mile area indicated some

111 permanently occupied dwellings and six business establishments. Pacific states it has a total of 34 applications for telephone service in the area, including 29 signatures on a petition from people in the vicinity of 180th Street and Palmdale Boulevard. Present potential is 55 subscribers in the area.

A number of persons living immediately south of this area between Avenue Z and the U. S. Forest Boundary indicated interest in receiving service from the Palmdale exchange rather than the proposed new Wrightwood exchange.

Pacific estimated it would cost \$119,000 to extend its Palmdale exchange into this area, with annual expenses estimated at \$24,600. Pacific's general position is that exchange service in the area under the Palmdale exchange rates would not be fully compensatory and, therefore, it does not voluntarily propose to extend its plant into the area. However, it will be willing to extend into the area if ordered to do so by the Commission. Some service in the area now is rendered by toll stations.

Position of Interstate Company

The California Interstate Telephone Company studied the area west of and adjacent to its Victorville exchange over to the San Bernardino County-Los Angeles County boundary. This is a very large area north of the new Wrightwood exchange area, comprising some 252 square miles. The prospective subscribers in the area number only 23 and most of these are located in the Community of El Mirage. Interstate takes the position that the area should be assigned and some service provided to the El Mirage area; however, under its extension rules, some line charges would be involved for extensions beyond the free length.

Staff Position

The staff's position was that the greater proportion of the area north of the new Wrightwood exchange is uninhabited and the entire area should not be assigned at this time; that it is impossible to determine the future development and where the community of interest might lie, therefore the Commission should consider leaving some of this territory unassigned; and that the Commission should consider the position of the various utilities with regard to held orders before authorizing extension into the areas.

Position of California Farm Bureau Federation

The representative for the Farm Bureau stated it is difficult to obtain service for people living in unassigned territory. Also, it is difficult to have an exchange area boundary line changed once it is established. While it may be a long time before there is much development in the area, arrangements now should be made so people can obtain service. His general position is that the areas as studied should now be assigned to the three utilities.

Findings and Conclusions

After considering the evidence of record it is the Commission's opinion that the three utilities partitioned the area with a view to community of interest for study purposes and a reasonable assignment of territory would correspond to the territory each has studied. The General Company desires to make a new exchange out of its study area rather than enlarge its Lancaster exchange while Pacific and Interstate would enlarge their adjacent exchanges to include the areas studied. The Commission does not favor expanding the existing Palmdale and Victorville exchanges because it would make them too large in area and free calling distance.

General's plan is: first, to establish toll stations; second, as the area develops, to offer suburban service; and finally,

when development warrants, to offer individual and party line service. In sparsely settled areas, General represents that toll station service comes closer to covering the cost of providing the service than exchange service would. The Commission finds and concludes that General's plan is reasonable and it will be authorized.

Pacific's proposal to extend its Palmdale exchange would appear to burden its other rate payers at this time. Therefore, its proposal will not be authorized. However, in the Commission's opinion, it should follow the method outlined by the General Company and arrange for toll stations in the new area.

Likewise California Interstate's proposal to extend the Victorville exchange westward to the county line would appear to burden its other rate payers at this time. Therefore its proposal will not be authorized, but it should follow the method outlined by the General Company and provide toll stations in the new area.

O R D E R

Investigation of telephone service in a portion of Los Angeles County and a portion of San Bernardino County, now unassigned territory, under the above-entitled case having been conducted, public hearing having been held, the matter having been submitted and now being ready for decision; therefore,

IT IS ORDERED that:

1. The area east of the Lancaster exchange, over to the Los Angeles-San Bernardino County boundary line, is assigned to the General Telephone Company of California for responsibility for telephone service; authorization is granted to establish a new exchange; and telephone service is to be provided first on a toll

station basis and later as development warrants on a suburban and individual and party line basis.

2. The area east of the Palmdale exchange, over to the Los Angeles-San Bernardino County boundary line, is assigned to The Pacific Telephone and Telegraph Company for responsibility for telephone service; authorization is not granted to extend the Palmdale exchange to cover this area; however, authorization is granted to Pacific to make this area a new exchange if it desires to do so; at this time only toll station service shall be provided to reasonably meet the telephone needs of the few residents and industries in the area.

3. The area west of the Victorville exchange, over to the San Bernardino-Los Angeles County boundary line, is assigned to the California Interstate Telephone Company for responsibility for telephone service; authorization is not granted to extend the Victorville exchange to cover this area; however, authorization is granted to California Interstate to make this area a new exchange if it desires to do so; at this time only toll station service shall be provided to reasonably meet the telephone needs of the few residents and industries in the area.

4. General Telephone Company of California is authorized to continue to offer toll station service only in the new area assigned to it and is authorized to file in quadruplicate with this Commission, after the effective date of this order, in conformity with General Order No. 96, revised tariff maps and schedules to effectuate the establishment of a new exchange as proposed on not less than five days' notice to the Commission and to the public.

5. The Pacific Telephone and Telegraph Company and the California Interstate Telephone Company each shall resurvey the new

areas assigned to them and shall report to the Commission for approval, within ninety days after the effective date hereof, their plans for providing toll station service in their respective new areas, the estimated cost of providing the service, and the advances, if any, required under their extension rules of the prospective subscribers in the area.

6. That this investigation be held open pending the filing of the reports provided in Ordering Paragraph 5 above.

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

Dated at San Francisco, California, this 12th day of August, 1958.

E. Lynn Fox President
W. E. Mitchell
Paul H. Hutterer
Walter J. ...
 Commissioners

Commissioner Theodore H. Jenner, being necessarily absent, did not participate in the disposition of this proceeding.

A-39569
A-39656
C-6058 ✓ nb

APPENDIX A

LIST OF APPEARANCES (Under A-39569, A-39656 and C-6058)

For the Utilities: Best, Best & Kreiger by James H. Kreiger and Richard Edsall, for California Interstate Telephone Company; Pillsbury, Madison & Sutro and Arthur T. George by Charles B. Renfrew, for The Pacific Telephone and Telegraph Company; H. Ralph Snyder, Jr., for General Telephone Company of California.

Interested Parties: Neal C. Hasbrook, for California Independent Telephone Association; J. J. Deuel, for California Farm Bureau Federation; Frederick E. Marshall, for Wrightwood Chamber of Commerce.

For Petition Subscribers to The Pacific Telephone and Telegraph Company: Mrs. Earle Winnett, Secretary, Llano Improvement Assn.

Commission Staff: Hector Anninos.

LIST OF WITNESSES

Evidence was presented on behalf of the Utilities: Under A-39596 by: Arthur S. Taylor, Clarence H. Harling, Harold E. Throp, John H. Barrows; Under A-39656 by: Russell J. Priddy; Under C-6058 by: Clarence H. Harling, John H. Barrows, Paul F. Sercu, Carl F. Joos, Roscoe C. Bowles, R. W. Replogle.

Evidence was presented on behalf of the Commission Staff by: James M. McCraney.

Evidence was presented on behalf of the Interested Parties by: Mrs. Grace Winnett, Thomas W. Boyden, Mrs. Virginia Buchanan, R. W. Wiess.