

Decision No. 57936**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ARLINGTON HEIGHTS HOME OWNERS
ASSOCIATION,

Complainant,

vs.

Case No. 6087

THE PACIFIC TELEPHONE AND
TELEGRAPH COMPANY and the
ROSEVILLE TELEPHONE COMPANY,

Defendants.

Robert J. Cook, for complainant.Arthur T. George and Pillsbury, Madison & Sutro,
by Charles B. Renfrew, for The Pacific Telephone and
Telegraph Company, defendant.Thomas E. Srednik, for Roseville Telephone Company,
defendant.Neal C. Hasbrook, for California Independent Telephone
Association, interested party.James M. McCrancy, for the Commission's staff.INTERIM OPINIONComplainant's Request

Arlington Heights Home Owners Association filed the above-entitled complaint on April 9, 1958, and filed an amended complaint on August 2, 1958, requesting an order of the Commission requiring that the boundary of the Sacramento exchange of The Pacific Telephone and Telegraph Company be extended to include the Arlington Heights area, or, in the alternative, to provide extended telephone service between the Roseville and Sacramento exchanges for the Arlington Heights area. This interim opinion and order is concerned with a motion by the complainant that an interim study be made to determine the feasibility of the establishment of extended telephone service between the Citrus Heights area of the Roseville exchange of the

Roseville Telephone Company and the Sacramento and Fair Oaks exchanges of The Pacific Telephone and Telegraph Company. This motion was made at the December 19, 1958, hearing on this matter in Sacramento before Commissioner Theodore H. Jenner and Examiner Manley W. Edwards. The presiding Commissioner requested that the Commission staff furnish its recommendation as to whether these studies should or should not be made.

Commission Staff Recommendations

The Commission staff pointed out that the subject of extended service between Citrus Heights and Sacramento was studied under Case No. 5473, but was discontinued by Decision No. 54349 on January 8, 1957, because of the very substantial rate increases that would have been required to institute extended service. The staff also pointed out that the studies upon which such decision was issued were based on 1955 data; that, since 1955, the Citrus Heights area and the Sacramento and the Fair Oaks exchanges have undergone substantial growth; there are a substantial number of Sacramento foreign exchange stations in the Citrus Heights area; that approximately two years are required to put an extended service plan into effect after being authorized by the Commission; and that in view of the rapid growth in the area the Commission should not use 1955 data in formulating service plans for 1961 and thereafter. Accordingly, the staff recommended that the Roseville Telephone Company and The Pacific Telephone and Telegraph Company be ordered to cooperate in preparing and furnishing to the Commission appropriate extended service studies.

Position of Roseville Telephone Company

The Roseville Telephone Company opposes an extended service study at this time for the following reasons:

1. That, since the last extended service study, the situation has not changed sufficiently as to population growth or increased

"community of interest" to warrant such a study.

2. That, while the area has had a dynamic growth, there is no evidence to show that the calling characteristics of the area have changed or that a new study would disclose anything not shown by the previous study except a greater number of stations.

3. That the unverified petitions requesting extended service should be given no consideration, in view of the confusing manner in which they were circulated and signed, and because the signers could not, under the circumstances, have made an informed choice.

4. That an extended service study at this time will be costly and time-consuming and will tie up employees and key personnel at a time when the company is hard pressed to maintain high standards of service and provide new facilities in the area.

5. That the Foreign Exchange Service currently provides the solution to the problems presented by the complainant.

The Roseville Telephone Company stated that it would not presume to say that an extended area study will not some day, perhaps within the next few years, be appropriate; but it stated that the time is not ripe for such a study and that nothing will be gained thereby.

Position of The Pacific Telephone and Telegraph Company

The Pacific Telephone and Telegraph Company also opposed an extended service study at this time for the following reasons:

1. That a relatively short period of time has elapsed since the Commission discontinued its investigation of the feasibility of a similar extended service arrangement by Decision No. 54349 dated January 8, 1957.

2. That, even though station development may increase substantially, new studies will not demonstrate any marked difference, as in the cost of extended service on a per-station basis, unless there has also been a change in calling characteristics from such stations.

3. That the staff's detailed recommendation is impracticable to comply with, because such a separation is not contemplated by the Separation Manual nor is there any known method of making such separation, in the company's opinion.

4. That such a separation is not necessary for settlement purposes because the current settlement method for extended service between exchanges of two different companies is based upon each company's being responsible for 50 per cent of the combined companies' costs for local tandem central office equipment and for 50 per cent of the total trunk miles required in the provision of extended service.

5. That the separation recommended by the staff apparently is based upon the Commission's Decision No. 56728 in Case No. 5928, which envisions a "partnership" arrangement for providing extended service to outlying areas. But Pacific points out that a rehearing has been granted on Decision No. 56728, its effect has been suspended, and a study on the basis recommended by the staff would, in effect, be highly improper at this time since it would constitute a prejudging of the Commission's decision in that matter.

Findings and Conclusions

After a careful consideration of the evidence of record and of the arguments advanced by the parties to this proceeding and by the Commission's staff, the Commission finds and concludes:

1. A proper and adequate study of the need for extended service in this area would have to cover a complete central office and the area embraced by its connecting wires and instruments. This means that the entire Citrus Heights area would have to be studied. This

area is much greater than the area of Arlington Heights represented by the complainant.

2. While the petitions for extended service were signed by many parties outside the Arlington Heights area, it is not evident that all parties in the Citrus Heights area were contacted, and the record contains no evidence as to the number of subscribers who refused to sign the petitions or who prefer the present service arrangement. However, the petitions do indicate a general desire on the part of many persons for extended service in the Arlington Heights area.

3. As areas adjacent to metropolitan centers grow, it has been the policy in this state to make extended service available. The fact that different telephone companies serve in the metropolitan and adjacent areas does not eliminate the obligation, as prescribed by Section 766 of the Public Utilities Code, of the different companies to combine their services and render extended service at reasonable rates if the Commission determines that the development is sufficient or if there is sufficient desire and need for such extended service. However, in the instant case we do not find sufficient development to warrant extended service at this time, nor do we find any present need for a new extended service study.

4. Since the Commission does not find a present need for an extended service study in this area, it is unnecessary to comment on the propriety of such a study being made on the basis recommended by the staff pending the outcome of Case No. 5928 regarding extended service in the Fresno area.

INTERIM ORDER

The Arlington Heights Home Owners Association having made a motion for an interim extended service study and the Commission being

of the opinion that such request should not be granted at this time; therefore,

IT IS ORDERED that the motion by counsel for Arlington Heights Home Owners Association for an extended service study be, and it is, denied.

Inasmuch as this matter has been temporarily removed from the Commission's hearing calendar, counsel for complainants should indicate, within twenty days of the date hereof, in writing, to the Commission his position and desire with reference to continuation or disposition of Case No. 6087.

Dated at Los Angeles, California, this 27th day of JANUARY, 1959.

[Signature]
President
[Signature]
[Signature]
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Commissioners