

ORIGINAL

Decision No. 57996

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 certain area from the )  
 San Jose exchange to the Sunnyvale )  
 exchange. )

Application No. 40441

Arthur T. George and Pillsbury, Madison & Sutro,  
 by Charles B. Renfrew, for applicant;  
 South Sunnyvale Homeowners' Association, by Carl  
H. Heilbron, Creston Improvement Association,  
 Inc., by Brainerd Plehn, interested parties;  
James M. McCraney for the Commission staff.

OPINION AND ORDER

By the above-entitled application, filed September 19, 1958, The Pacific Telephone and Telegraph Company seeks an order of this Commission authorizing it to transfer a certain area near Cupertino from its San Jose to its Sunnyvale exchange.

Public hearing in the matter was held before Examiner F. Everett Emerson on January 14, 1959, in Cupertino. The matter was submitted on such date and is now ready for decision.

The evidence indicates that a number of individual subscribers, located in the western portion of the San Jose exchange and adjacent to the Sunnyvale exchange, have asked the utility to be transferred to the Sunnyvale exchange. In addition, two organized groups have made similar requests. In 1956 the Creston Improvement Association informally sought the assistance of the staff of the Commission in obtaining a change in their local calling area as to have it include Mountain View and Los Altos. In 1958 the South Sunnyvale Homeowners' Association also sought transfer to the Sunnyvale exchange.

In June 1958, applicant conducted a canvass, by mail, of all subscribers in the San Jose exchange having Chestnut 5 numbers. Such numbers, for subscribers in the San Jose exchange, are physically connected with a central office unit located in Sunnyvale. Three mailings were involved in the canvass: one to each subscriber with San Jose exchange service, one to subscribers with Sunnyvale foreign exchange service and one to subscribers having Mountain View foreign exchange service.

The mail canvass consisted of informational folders<sup>1/</sup> sent to approximately 1,511 subscribers. Included, as a detachable portion of each folder, was a ballot on which the subscriber was to indicate preference as to having the service remain unchanged or being transferred to the Sunnyvale exchange. Each subscriber having San Jose exchange service was informed that "you either have been or will be advised that your present number will be changed to one with the new Chestnut 5 prefix by late summer of this year. You would keep the same Chestnut 5 number assigned to you at that time". Such statement, in the Commission's opinion, clearly and unequivocally informed the subscribers that no change in prefix would occur as a result of the transfer of subscribers from San Jose to Sunnyvale exchange service.

Applicant's analysis of the response to its mail canvass indicated to it that there was an area of approximately 1.82 square miles in which a substantial majority of the subscribers wanted to transfer from San Jose to Sunnyvale exchange service. The response from an adjoining area of about the same size indicated that approximately equal numbers of subscribers were in favor and opposed. Applicant is herein proposing to transfer the first area but not the second area.

---

<sup>1/</sup> Exhibits Nos. 2, 3 and 4 in this proceeding.

The over-all area canvassed is physically served by five feeder cables originating in the Sunnyvale central office. The ballots when segregated by the five feeder points produce varying results as to preference of exchange. When so viewed, it is apparent that there are portions of the area which applicant seeks to transfer that have a decided desire not to be transferred.

At the hearing it developed that contrary to applicant's statement in its canvass folder, the proposed transfer would entail changing subscribers' CHEstnut 5 prefixes to REgent prefixes. In the Commission's opinion this casts serious doubt upon the validity and accuracy of applicant's analysis of the canvass. It is apparent that the canvassed subscribers voted with the understanding that there would be no number change. The Commission sees no way in which their responses may be correlated with the actual proposal of applicant.

Applicant's proposal, according to the testimony of its witnesses, would reduce its annual revenues by a gross amount of \$24,800 and a net amount of \$20,700. Further, the nonrecurring expenses arising from the number changes alone would approximate \$14,800.

From the evidence, the Commission concludes that applicant's canvass was falsely premised, that the results of applicant's canvass of its subscribers do not substantiate applicant's analysis thereof and, further, that the specific proposal is uneconomic.

The evidence is not convincing that the proposed transfer should be authorized and it is insufficient to permit the Commission to make a finding that the public interest requires or would be better served by authorizing the specific proposal made by applicant.

In view of the evidence, it is the opinion of the Commission that the application herein should be denied. Therefore, good cause appearing,

IT IS ORDERED that the authority sought in Application No. 40441 be and it is hereby denied.

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

Dated at San Francisco, California, this 9th day of FEBRUARY, 1959.

E. L. Fox  
President  
E. H. [illegible]  
M. H. [illegible]  
\_\_\_\_\_  
Commissioners

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