

ORIGINAL

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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 establish rates for extended)
 service in its Porterville, Terra)
 Bella and Springville exchanges in)
 lieu of present exchange rates and to)
 cancel and withdraw message toll tele-)
 phone service rates now in effect)
 between Porterville and Terra Bella)
 and between Porterville and Spring-)
 ville.)

Application No. 40914

Arthur T. George and Pillsbury, Madison & Sutro, by
Charles B. Renfrew, for applicant.
 City of Porterville, by William R. Rodgers; Springville
 Grange No. 713, by Cyril E. Miller; Springville Lions
 Club and Springville Union School District, by Clyde
 L. Simpson; Southern California Edison Company, by
Roscoe R. Sparks; General Telephone Company of Calif-
 ornia, by Robert W. Shaffer and H. Ralph Snyder, Jr.;
 Porterville Chamber of Commerce, by Edward B. Cornell;
 Tulare-Kings Counties Hospital, by Faye Cranston;
 Springville Chamber of Commerce, by Wes H. Kutzner;
 Terra Bella-Saucelito Telephone Co. and Saucelito
 Irrigation District, by Robert O. McCloskey; Terra
 Bella Chamber of Commerce, by Walter Markham; Calif-
 ornia Farm Bureau Federation, by J. J. Deuel; interested
 parties.
James F. Haley, for the Commission staff.

O P I N I O N

By this application, filed March 10, 1959, The Pacific
 Telephone and Telegraph Company seeks an order of this Commission
 authorizing it to provide extended service between Porterville and
 Springville exchanges and between Porterville and Terra Bella ex-
 changes at rates and charges in excess of those presently in effect
 for exchange telephone service in each of such exchanges and to
 withdraw message toll telephone service rates presently effective
 between Porterville and Springville exchanges and between Porterville
 and Terra Bella exchanges.

Public hearing in the matter was held before Examiner F. Everett Emerson on April 21, 1959, at Porterville and on June 10, 1959, at San Francisco. The matter is now ready for decision.

Porterville, Terra Bella and Springville are located in the southeast section of Tulare County. Applicant serves the three areas through dial central offices in each exchange. Inter-exchange service is by means of toll messages for which a basic 15¢ charge is made for a call between Springville and Porterville and between Terra Bella and Porterville.

Applicant has received numerous requests, in the Springville and Terra Bella exchanges, that the Porterville exchange be included within the local calling areas of Springville and Terra Bella and as early as January 1956 such action was urged by the Terra Bella Chamber of Commerce. In response to these requests, applicant made an analysis of telephone usage in each of the areas and determined from this and succeeding studies that a substantial community of interest prevailed and that it would be practicable to establish extended service, providing rates for exchange service were increased to offset revenue losses which would result from elimination of the inter-exchange toll charges.

Applicant's proposed increases in exchange charges, for the principal classifications of service, are as follows. The overall revenue effect would be \$13,100 annually, which would closely approximate a cost effect of \$13,300.

Class or Grade of Service	Springville and Terra Bella:		Porterville	
	Rate Per Month		Rate Per Month	
	Present	Proposed	Present	Proposed
Business Service				
1-party	\$ 6.50	\$ 8.80	\$ 7.75	\$ 7.80
2-party	5.10	7.15	6.10	6.15
PBX Trunk	9.75	13.00	11.50	11.50
Suburban	4.85	6.40	5.35	5.40
Farmer Line	1.30	2.85	1.80	1.85
Residence Service				
1-party	4.15	5.20	4.65	4.70
2-party	3.35	4.15	3.60	3.65
4-party	2.75	3.55	3.00	3.05
Suburban	3.25	4.05	3.50	3.55
Farmer Line	.80	1.60	1.05	1.10

Applicant's proposal was made known, prior to the hearing in this matter, to a number of interested organizations, including the Chambers of Commerce of the three communities, as well as to numerous individuals and businesses. The proposal found ready support in each exchange and approximately 100 persons attended the hearing in Porterville. No person came forward to express opposition to the proposal. Ten persons, each of whom may be said to represent a different segment of the telephone-using public, testified in support of it and many others were ready to similarly testify.

The evidence is abundant and is convincing that applicant's proposal is in the public interest and is economically sound and the Commission finds the facts so to be. Further, the Commission finds that the increases in rates and charges for telephone service which will result from the implementation of applicant's extended service offering, as herein contemplated, are justified and that existing rates and charges will become unjust and unreasonable as of the time the new extended service is available.

Adjoining applicant's Porterville exchange on the north is the Strathmore central office area of the Lindsay Exchange of the General Telephone Company of California. A basic 15¢ toll charge

exists for calls between such area and applicant's Porterville exchange. Primarily because such charge is the same as that now existing between Porterville and Springville and between Porterville and Terra Bella, the Commission staff requested the two telephone companies to prepare a study looking toward an enlargement of applicant's proposed extended service area so as to include Strathmore therein. Such studies were made and are in evidence in this proceeding. The two telephone companies, while having acceded to the staff request for the studies, find no present merit in the staff's urging that Strathmore be included and are equally opposed to any such inclusion. In this respect, the Commission believes it to be of significance that neither the staff, the two telephone utilities nor the Commission itself is aware of any request or expressed desire for extended service to Porterville from any telephone user in the Strathmore area. Absent any showing as to substantial public need, desire, or support for extended service in these communities at this time, the Commission concludes that no action should be taken herein by which the issues presented by The Pacific Telephone and Telegraph Company in its application are in any way enlarged.

O R D E R

Based on the evidence and the findings and conclusions contained in the foregoing opinion, and good cause appearing therefor,
IT IS ORDERED as follows:

1. Applicant is authorized to file in quadruplicate with this Commission, after the effective date of this order and on or before March 31, 1961, and in conformity with the provisions of General Order No. 96, tariff sheets revised to reflect rates and charges for extended

telephone service in its Springville, Terra Bella and Porterville exchanges as set forth in Exhibit No. 2 in this proceeding and to reflect an expanded local service area for the Porterville exchange to include the Terra Bella and Springville exchanges and an expanded local service area for each of the latter two exchanges to include the Porterville exchange, and, on not less than five days' notice to the public and to this Commission, to make said revised tariffs effective on the date on which extended service is provided in said exchanges.

2. Coincident with the effective date of the revised tariffs above authorized, applicant is authorized to cancel and withdraw present tariff sheets for exchange service in each of the three exchanges, to cancel and withdraw foreign exchange service rates now applicable between them, to limit the offering of foreign exchange farmer line service therein to those subscribers actually receiving such service at the time extended service is provided, and to cancel and withdraw message toll telephone service rates between Porterville and Springville exchanges and between Porterville and Terra Bella exchanges.

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

Dated at San Francisco, California, this 14th day of July, 1959.

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