

ORIGINAL

Decision No. 59817

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 author- )  
ity to establish rates for extended )  
service in its Pinole exchange in )  
lieu of present exchange rates and )  
to cancel and withdraw message toll )  
telephone service rates now in )  
effect between Pinole and Richmond. )

Application No. 41532

Arthur T. George and Pillsbury, Madison & Sutro  
by Charles B. Renfrew, for applicant.  
Chester P. Wright, for the City of Pinole;  
Sherrill D. Luke, for the City of Richmond;  
Raymond Reeves, for Richmond Chamber of Com-  
merce; Charles N. McLean and Albert Lehman,  
for Pinole Lions Club; Albert Lehman, for  
Pinole Valley Improvement Club; Robert H.  
Alfandry, for Tara Hills Improvement Associa-  
tion; Mrs. Chester R. Hall, for Mr. and Mrs.  
Chester R. Hall and Square Deal Garage;  
interested parties.  
Ermet J. Macario, for the Commission staff.

OPINION AND ORDER

The Pacific Telephone and Telegraph Company, in this appli-  
cation filed September 29, 1959, seeks authorization to establish  
extended service between its Pinole and Richmond exchanges. Public  
hearing in this matter was held at Pinole before Examiner James F.  
Haley on December 4, 1959.

Pinole is located about seven miles northeast from the  
downtown area of Richmond. Applicant serves both Pinole and Richmond  
by means of dial central office equipment. Toll charges now apply  
to calls between the two exchanges. Much of the growth in both  
exchanges has occurred in sections where the two exchanges have  
common boundaries.

Applicant states that it has received many requests from  
Pinole civic leaders, organizations and individuals for toll-free

calling to Richmond. An analysis of the toll usage of telephone subscribers shows that during a typical month Pinole subscribers placed 9,900 messages to Richmond, and Richmond subscribers completed 10,800 messages to Pinole. As of October 31, 1959, Richmond had over 50,000 stations and Pinole had 2,000 stations. Of the latter, over 600 were Richmond foreign exchange services.

Applicant's witnesses testified that establishment of the proposed extended service would result in an annual reduction in operating costs of \$29,600. They further testified that charges to Richmond and Pinole subscribers would be reduced by \$29,700 with the elimination of toll charges between the two exchanges and the establishment of applicant's proposed schedule of rates. Under applicant's proposal, Richmond exchange service rates would not be changed. The present and proposed rates for principal classes of service in Pinole exchange are as follows:

<u>Flat Rate Service</u>	<u>Present Rate</u>	<u>Proposed Extended Service Rate</u>
Business		
Individual line	\$ 7.00	\$10.50
Two-party line	5.60	8.10
Suburban line	5.10	6.10
PBX trunks	10.50	15.75
Residence		
Individual line	4.40	5.05
Two-party line	3.60	3.90
Four-party line	3.00	3.45
Suburban line	3.50	3.95

Representatives appeared in favor of the proposed extended service on behalf of the City of Richmond, Richmond Chamber of Commerce, City of Pinole and Pinole Lions Club. Three public witnesses expressed desire for consolidation of the two exchanges in preference to extended service. However, applicant proposes to continue to offer Richmond foreign exchange service in Pinole, and the Commission

is of the opinion that this type of service will meet the requirements of subscribers desiring the local calling availability of Richmond exchange service.

A witness for the City of Pinole recommended the establishment of Pinole business message rate service. Applicant does not propose to offer such service. The Commission, however, is of the opinion that the offering of business message rate service in Pinole would be more reasonable than the offering of business flat rate service in view of the fact that only business message rate service is offered in the Richmond exchange. Applicant's rate witness suggested that the Richmond rate level would be appropriate for Pinole business message rate service under the proposed extended service arrangement. The order herein will provide that applicant shall offer Pinole business message rate individual line and PBX trunk service at the suggested rate level rather than business flat rate individual line, two-party line and PBX trunk service in that exchange.

Based upon the record, the Commission finds and concludes that the establishment of extended service between Richmond and Pinole and the elimination of toll charges between the two exchanges would be in the public interest. Except as hereinabove found with respect to Pinole business service, the Commission finds that the specific proposal of applicant is reasonable. Further, the Commission finds that the increase in rates and charges authorized herein are justified and that present rates and charges, in so far as they differ from those herein authorized, will become unjust and unreasonable on such date as extended service is provided. Good cause appearing, therefore,

IT IS ORDERED as follows:

1. The Pacific Telephone and Telegraph Company is authorized and directed to file in quadruplicate with this Commission, after the

effective date of this order, on or before December 31, 1961, and in conformity with the provision of General Order No. 96, tariff sheets revised to reflect rates and charges for extended telephone service in its Pinole exchange as set forth in Appendix A attached to this order and, on not less than five days' notice to the public and this Commission, to make said revised tariffs effective coincident with the introduction of extended service between Pinole and Richmond exchanges.

2. Coincident with the effective date of the revised tariffs above authorized, applicant is authorized to do the following:

- a. Cancel and withdraw message toll telephone service rates between Pinole and Richmond exchanges.
- b. Expand the local service area of Pinole exchange to include Richmond exchange.
- c. Expand the local service area of Richmond exchange to include Pinole exchange.

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

Dated at San Francisco, California, this 22nd day of March, 1960.

[Signature]  
President

[Signature]

[Signature]

[Signature]

Theodore Jenner  
Commissioners

## APPENDIX A

RATES

The presently effective rates, charges, and conditions are changed to the extent set forth in this appendix.

There is no change in the presently effective rates in the Richmond exchange. Business flat rate individual line, two-party line and PBX trunk rates shall be withdrawn in the Pinole exchange and message rate individual line and PBX trunk rates introduced. The following rates are authorized for the Pinole exchange:

	<u>Rate per Month</u>	
	<u>Business Service</u>	<u>Residential Service</u>
<u>Flat Rate Extended Service</u>		
Individual line	\$ -	\$5.05
Two-party line	-	3.90
Four-party line	-	3.45
Suburban line	6.10	3.95
<u>Message Rate Extended Service</u>		
Individual line	5.25 (80)*	-
PBX trunks - first two	5.25 (0)*	-
- each additional	2.50 (0)*	-
<u>Semi-Public Coin Box Service</u>		
Rate per month	1.25	-
Minimum charge per day	.24	-

\* Additional messages at 4.25 cents