

Decision No. 60368**ORIGINAL**

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 consolidate its Bolinas and
 Stinson Beach exchanges into a single
 exchange to be designated Stinson
 Beach, Marin County, California.

Application No. 42151

Arthur T. George and Pillsbury, Madison
 & Sutro, by Denis T. Rice, for
 The Pacific Telephone and Telegraph
 Company, applicant.
Ralph Hubbard, for California Farm Bureau
 Federation, interested party.
Ernet Macario, for the Commission staff.

O P I N I O NApplicant's Request

The Pacific Telephone and Telegraph Company filed the above-entitled application on April 14, 1960 seeking authority to (1) discontinue its Bolinas exchange and toll rate center, (2) cancel and withdraw the exchange rates now on file for Bolinas exchange, (3) enlarge applicant's Stinson Beach exchange and base rate area boundaries to include respectively the area now included within the Bolinas exchange and base rate area boundaries as shown on Exhibit A of the application, and (4) cancel and withdraw message toll telephone service rates between the Bolinas and Stinson Beach exchanges in Marin County.

Public Hearing

After due notice public hearing was held before Examiner William W. Dunlop on June 8, 1960 at Stinson Beach. Applicant presented four exhibits and testimony through two witnesses in

support of its application. The Commission staff cross-examined the witnesses to develop a complete record.

While no person expressed opposition to applicant's over-all proposal of consolidating the Stinson Beach and the Bolinas exchanges, two witnesses from Bolinas expressed disapproval of applicant's choice of name for the proposed consolidated exchange. They suggested use of a name such as Stinson-Bolinas rather than Stinson Beach for the consolidated exchange. One public witness requested that applicant advise subscribers as early as possible of new telephone numbers to be assigned upon consolidation and urged that intercept service be provided for a considerable period so that persons calling the old numbers would be referred to the desired party.

Two of the public witnesses also testified concerning telephone service difficulties including outages and cutoffs, particularly on long distance calls. They acknowledged, however, some recent improvement in their service.

The representative of the California Farm Bureau Federation urged that it would be in the public interest to consolidate the exchanges but suggested that further consideration be given to the proposed name of the consolidated exchange.

At the conclusion of the day's hearing the matter was submitted and now is ready for decision.

Present Service and Rates

Stinson Beach exchange, located along the coast of Marin County, encompasses an area of some 9 square miles. The exchange served 274 stations, as of April 30, 1960, from a dial central office of fixed capacity.

Bolinas exchange, directly north of the Stinson Beach exchange, contains an area of about 14 square miles. This exchange served 292 stations, as of the end of April, 1960, from a separate dial central office also of fixed capacity.

Both Bolinas and Stinson Beach are unincorporated communities. They are about six road miles apart. The interexchange rate mileage between the two exchanges is three miles and the initial period day station toll rate between said exchanges is 10 cents. Exchange rates in the two exchanges are the same.

Proposed Service and Rates

Applicant represents that in order to care for growth in the Bolinas exchange and in the Stinson Beach exchange the present fixed capacity dial central office equipment in each exchange will have to be replaced; that service to the two exchanges can be furnished most economically from one wire center and from one new dial office of suitable capacity; and that further economies can be obtained by consolidating the two exchanges at the time the single dial office is established.

Under such an arrangement, the Bolinas toll rate center would be discontinued, message toll telephone rates between Bolinas and Stinson Beach would be cancelled, and the present Stinson Beach toll rate center would become the toll rate center for the consolidated exchange. Exhibit C of the application shows that under applicant's proposal the initial period station toll rate would be increased by 5 cents between Bolinas and Bodega Bay and between Bolinas and Sebastopol and would be reduced by 5 cents over 21 routes including Bolinas-Corte Madera, Bolinas-San Francisco

Central District Area, and Bolinas-San Rafael. There would also be some increases and decreases in toll rates for certain routes of over 40 miles.

Applicant's plan for consolidation will not result in any changes in exchange rates for subscribers in either of the two present exchanges.

Telephone subscribers of the consolidated exchange, under applicant's plan, would be listed alphabetically in the Marin County telephone directory with a designation showing whether the subscriber is located in Bolinas or in Stinson Beach. In addition, Bolinas as well as Stinson Beach would be shown in applicant's toll rate and route guide so that appropriate information service is available.

Applicant's witness testified that upon consolidation its standard intercept procedures would apply and that the change would take place to coincide with the issue date of a new Marin County directory or a special consolidation directory would be issued.

Applicant also has plans to replace certain open wire toll facilities with cable late in the first quarter of 1961, and thereby substantially improve the reliability and quality of toll service to the area.

Plant, Expense and Revenue Effects

Applicant shows in Exhibit 3 that it will realize a saving of \$24,300 in net plant investment under its proposal for consolidation as compared with a plan that would continue the two separate exchanges. Annual cost savings of \$5,100 are estimated by applicant compared with a loss in toll revenue of

\$4,700. Hence the net annual effect on the utility is a saving of \$400 and the net effect on customers is an annual saving of \$4,700 in toll charges.

Applicant states that it can consolidate the Bolinas and the Stinson Beach exchanges as proposed during the first half of 1961.

Findings and Conclusions

Based upon the evidence of record, we find that a granting of the application will enable applicant to provide telephone service on a more economical basis than under present serving arrangements and, at the same time, will result in a net decrease in toll charges to customers of approximately \$4,700 per annum. We so find and conclude that the application should be granted as herein provided.

It appears that applicant's choice of names is unfortunate. The choice, however, lies with the applicant. In view of the opposition expressed at the hearing, applicant should review the situation and attempt to select a name or names more acceptable to persons in the area. Approximately a year remains before the consolidation will be completed. Surely during such period a suitable name may be selected by applicant.

We find that such increases in rates or charges as will result from a granting of the application are justified and that present rates insofar as they differ from those herein authorized upon the consolidation of the two exchanges are unjust and unreasonable.

O R D E R

Public hearing having been held on the above-entitled application, the matter having been submitted for decision and the Commission being informed thereon,

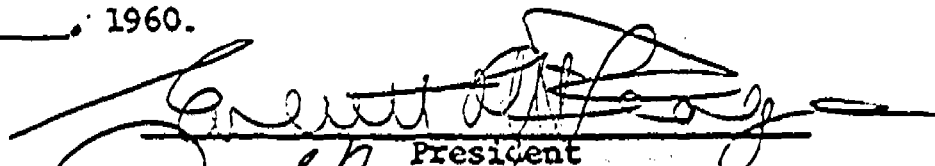

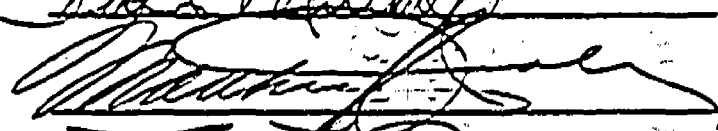
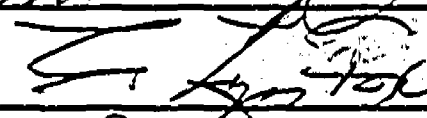
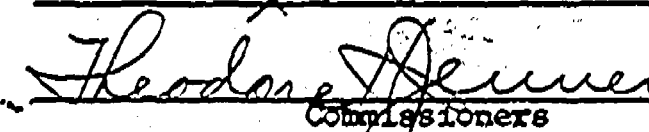
IT IS ORDERED ~~that~~:

1. The Pacific Telephone and Telegraph Company is authorized, after the effective date hereof and on or before March 31, 1962, to discontinue its Bolinas exchange and toll rate center and to cancel and withdraw the exchange rates on file for Bolinas exchange provided coincident therewith applicant expand its Stinson Beach exchange and base rate area boundaries substantially as shown on Exhibit A of the application and cancel and withdraw message toll telephone service rates between Bolinas and Stinson Beach exchanges.

2. Necessary tariff schedule filings pursuant to the authorization in paragraph 1 above shall be made in accordance with General Order No. 96, on not less than ten days' notice to the public and to the Commission, to be made effective coincident with the consolidation of the Bolinas and the Stinson Beach exchanges as hereinabove discussed.

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

Dated at San Francisco, California, this 5th day of July, 1960.


President




Commissioners