

ORIGINALDecision No. 60607

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, and CALIFORNIA
 INTERSTATE TELEPHONE COMPANY, a corpo-
 ration, for authority for THE PACIFIC
 TELEPHONE AND TELEGRAPH COMPANY to sell
 certain telephone plant to CALIFORNIA
 INTERSTATE TELEPHONE COMPANY.

Application No. 39656

Arthur T. George and Pillsbury, Madison & Sutro
 by Denis T. Rice and Charles B. Renfrew, for
 The Pacific Telephone and Telegraph Company,
 applicant.

Best, Best & Krieger by Glen E. Stephens, for
 California Interstate Telephone Company,
 applicant.

Utley & Houck by Alden F. Houck, for Mander Metals,
 Inc., and Miss Anna Mary Aldrich, protestant.

J. J. Deuel, for California Farm Bureau Federation,
 interested party.

Melvin E. Mezek, for the Commission staff.

OPINION ON REHEARING OF DECISION NO. 59577

Nature of Proceeding

Rehearing of Decision No. 59577, issued in the above-entitled proceeding on February 1, 1960, was granted by order of the Commission dated March 15, 1960. The Commission's action followed the filing on February 13, 1960 of a petition for rehearing by Mander Metals, Inc., a California corporation, and Anna Mary Aldrich, its president.

By Decision No. 57171, dated August 12, 1958, in the above-entitled proceeding The Pacific Telephone and Telegraph Company^{1/} was authorized, among other things, to sell certain property in the

1/ Hereinafter sometimes called Pacific.

Wrightwood area to California Interstate Telephone Company,^{2/} to be relieved of the responsibility of furnishing certain toll station service in the area, and to continue to furnish certain other toll station service in the area. Thereafter, on February 1, 1960, by an ex parte order (Decision No. 59577 herein), the Commission modified its earlier Decision No. 57171 by relieving Pacific from continuing to furnish toll station service to Cajon No. 7, among others. Mander Metals, Inc., the subscriber to Cajon No. 7 toll station service, objects to Pacific being relieved from furnishing Cajon No. 7 toll station service.

Public Hearing

After due notice, rehearing on Decision No. 59577 was held before Examiner William W. Dunlop on May 31, 1960 in Los Angeles. Protestant, Mander Metals, Inc., presented five exhibits and testimony through four witnesses in support of its position that the Commission adhere to its initial Decision No. 57171 herein, thereby continuing Cajon No. 7 toll station service furnished by Pacific.

Applicant Pacific presented testimony through two witnesses as to its original intention to discontinue Cajon No. 7 toll station and also as to the toll usage from said toll station. Pacific urged that Decision No. 59577 be reaffirmed.

Applicant Interstate presented one exhibit and testimony through two witnesses in support of its position that Cajon No. 7 toll station should be discontinued and telephone service to protestants be provided through the Wrightwood exchange.

The California Farm Bureau Federation and the Commission staff confined their participation to cross-examination of witnesses.

^{2/} Hereinafter sometimes called Interstate.

The matter was submitted subject to the receipt of one late-filed exhibit and of closing statements. Such late-filed exhibit and closing statements having been received, the matter is now ready for decision.

Summary of Evidence

The original application as filed herein did provide that upon the consummation of the proposed sale of facilities, Pacific would continue to furnish toll station service to Cajon No. 7, among others. At the original hearing on July 17, 1953, applicants filed amended exhibits which provided that Pacific would discontinue serving Cajon No. 7 toll station upon the consummation of the proposed sale. The Commission's original decision herein (Decision No. 57171, dated August 12, 1953) provided, among other things, for the continuance of service by Pacific to Cajon No. 7 toll station.

Protestant Mander Metals, Inc., has some 350 acres under claim in Section 11 of Township 2 North, Range 6 West, San Bernardino Base and Meridian. Such location is within the Wrightwood exchange of California Interstate Telephone Company. Wrightwood exchange was established in January 1960. The entire Wrightwood area formerly was served by toll stations provided by Pacific.

For the past 5½ years, protestant has been furnished telephone service by means of a toll station at the above-indicated location. The toll station is connected with toll lines of Pacific. Present service consists of a toll station designated Cajon No. 7, two extension stations, a gong, and two business directory listings. All calls made from Cajon No. 7 toll station are toll calls, charges for which are in accordance with the regularly established toll rates of Pacific. A monthly toll usage guarantee of \$7.50 applies, in

addition to a monthly charge of \$4.10 for the extension stations, gong and directory listings. Toll charges applicable to individual toll calls are credited against the \$7.50 monthly toll guarantee. Thus, if the toll charges for calls in any month were less than \$7.50, the customer would pay the \$7.50 minimum guarantee. On the other hand, if the toll charges for calls in any month exceeded \$7.50, the customer would pay only the amount of the toll charges.

During the period January 9, 1960 to April 18, 1960 protestant made 97 toll calls distributed as follows:

Los Angeles	37
San Bernardino	32
Rialto	7
Fontana	4
Ontario	2
Colton	2
All other points	<u>15</u>
Total	97

From July 19, 1959 through April 18, 1960, protestant made only three calls to Wrightwood and only one call to Victorville, according to Pacific's records.

If protestant were required to discontinue the present toll station service and did subscribe to Wrightwood suburban exchange service as urged by applicants, the evidence reveals that protestant's charges for telephone service would be increased by approximately 37 percent on the average.^{3/}

3/

	<u>Cajon No. 7 Toll Station Service</u>	<u>Wrightwood Exchange Suburban Business Service</u>	<u>Increase Percent</u>
1. Toll Charges Jan. 9-April 18, 1960	\$63.25	\$68.90	
2. Avg. Toll Charges per Month	18.98	20.67	
3. Monthly Charges	4.10	10.85	
4. Total (2 plus 3)	23.08	31.52	\$8.44 37%

Examples of differences in toll rates over certain routes from Wrightwood as compared with Cajon No. 7 follow:

	Station Day Messages			
	Wrightwood		Cajon No. 7	
	3-Minute Call	Add'l Minute	3-Minute Call	Add'l Minute
Los Angeles	\$0.45	\$0.15	\$0.50	\$0.15
San Bernardino	.35	.10	.20	.05
Rialto	.30	.10	.20	.05
Fontana	.30	.10	.20	.05

Applicants Pacific and Interstate agree that Pacific should continue to furnish toll station service within the Wrightwood exchange to the following seven toll stations:

Cajon No. 1	Cajon No. 5
Cajon No. 2	Cajon No. 6
Cajon No. 3	Summit Lookout
Cajon No. 4	

According to the testimony Interstate has no Wrightwood exchange facilities in the vicinity of the above-mentioned seven toll stations. Pacific and Interstate oppose the continuation of toll station service by Pacific to Cajon No. 7 because Interstate can provide Wrightwood exchange service at that location and because Interstate desires to use the wire facilities now serving Cajon No. 7 to establish an emergency toll circuit between Wrightwood and Victorville in conjunction with its microwave toll system. If such emergency toll circuit were established, additional wire line construction in excess of one mile would be required to continue toll station service to Cajon No. 7. Such line wire construction could be placed on existing poles and crossarms and is estimated by Pacific to cost approximately \$1,400.

Findings and Conclusions

Based upon the evidence of record, it appears reasonable and we find and conclude that the subscriber to Cajon No. 7 toll station should be given the option of electing to continue to receive

toll station service from Pacific or of subscribing to Wrightwood exchange service. Where an exchange is established in an area formerly provided with toll station service, it is past experience for subscribers to the toll stations located outside the base rate area to be afforded the option of continuing such toll station service or of receiving exchange service.^{4/}

It is abundantly clear from this record that the subscriber to Cajon No. 7 toll station desires to continue to receive toll station service rather than Wrightwood exchange service. We find that Pacific should continue to provide such toll station service to Cajon No. 7 only until such time as there is a change in subscriber. The order herein will so provide.

We find that such increases in rates or charges as may result from the order herein are justified and that present rates insofar as they differ from those hereinafter authorized are unjust and unreasonable.

ORDER ON REHEARING OF DECISION NO. 59577

Rehearing of Decision No. 59577 having been held, the Commission being informed thereon, and based upon the evidence of record and the above findings and conclusions thereon,

IT IS ORDERED that Decision No. 59577 be and it hereby is modified to the extent that The Pacific Telephone and Telegraph

^{4/} See Decision No. 59981, dated April 19, 1960, Application No. 41789.

Company shall continue to provide Cajon No. 7 toll station service to Mander Metals, Inc., in accordance with Pacific's regularly established tariff schedules only until such time as there is a change in subscriber.

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

Dated at San Francisco, California, this 23rd day of August, 1960.

[Signature]
President

[Signature]
[Signature]

Commissioners

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