## ORIGINAL

## Decision No. 61043

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## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of General Telephone Company of California to revise its rate schedules to cancel and withdraw the service offerings in the Main Central Office area of the Whittier exchange and in lieu thereof provide South Central Office area service of the Whittier exchange.

Application No. 42721

## OPINION AND ORDER

By the above-entitled application, filed on October 3, 1960, General Telephone Company of California seeks authorization pursuant to Section 454 of the Public Utilities Code to (1) discontinue the Main Central Office of the Whittier exchange (Los Angeles County), (2) to cancel and withdraw rates applicable in the Main Central Office area, (3) to incorporate the Main Central Office area into the South Central Office area office of the Whittier exchange, and (4) apply to the entire expanded South Central Office area the existing schedule of tariffs applicable in the present South Central Office area of the Whittier exchange.

Applicant's Main Central Office area of the Whittier exchange is located in the County of Los Angeles, California and is bounded on the north by the Pico Central Office area of Whittier exchange and the Covina exchange, on the east by the Covina exchange and the La Habra Central Office area of Whittier exchange, on the west by the Pico Central Office area of Whittier exchange and the Downey exchange, and on the south by the South Central Office area of Whittier exchange.

Applicant has scheduled the retirement of the Main Central Office of the Whittier exchange for November 26, 1960, in conjunction with the inauguration of the General Company's Strowger Automatic Toll

-1-

Ticketing Program in the area and because the Main Central Office of the Whittier exchange is not susceptible to future expansion. It is necessary to transfer approximately 3,950 subscribers, including some 1,184 subscribers to business service, presently served from the Main Central Office area of Whittier exchange to the South Central Office area of Whittier exchange.

The transfer of said Main Central Office area of Whittier exchange to the South Central Office of Whittier exchange office will result in increases to the business subscribers of the Main Central Office area in their exchange service rates, and an enlargement of the local calling area to include the Buena Park exchange of The Pacific Telephone and Telegraph Company. The effect on the monthly rates for business subscribers is shown in the following table:

SERVICE	Present Rates	Proposed <u>Rates</u>	Increase	
Individual line	\$12.40	\$12.80	\$0.40	
Two-party line	10,15	10.50	0,35	
Semipublic service	3.15	3.40	0.25	

The effect of this revision on General's revenues is as follows:

Annual increase in exchange billing - \$5,694 Annual decrease in toll revenues\* - 7,632 Net decrease in annual revenue - 1,938 \* Settlement amount.

Studies were made to determine the cost effects of transferring subscribers of the Main Central Office area to the South Central Office area and providing equipment which would deny such subscribers access to the Buena Park exchange. These studies showed that a considerable investment would be required to deny extended calling to the Buena Park exchange for these Main Central Office subscribers and that the resultant annual charges would be greater than the revenues received. Exhibit D of the application shows the plant effects which would be incurred to deny extended calling to the Buena Park exchange.

-2-

A-42721 GH

A selected sampling, representative of the 1,184 business subscribers presently served from the Main Central Office, was furnished a questionnaire, shown in Exhibit E of the application. This questionnaire provided a choice of optional services; (1) a choice of retaining present services and rates with service through the South Central Office, or (2) a choice of expanded service at slightly higher rates, also through the South Central Office. Of the total subscribers contacted, approximately 87 percent indicated a desire to be served from the South Central Office with the increase in service advantages at the higher monthly rate.

The proposed number change for the subscribers involved in the transfer has been scheduled to coincide with the December, 1960 Whittier directory issue. The closing date for listings in this issue was September 23, 1960.

The Commission has considered this matter and is of the opinion and finds that applicant's proposal is reasonable and that a public hearing thereon is not necessary and that the granting of the application as herein provided will not be adverse to the public interest and will result in improved telephone service. The Commission finds that the increases in rates and charges which will result from a consolidation are justified; that the present rates in the Whittier area, in so far as they differ from those herein prescribed upon the consolidation of the Main and South Central Office areas of the Whittier exchange will thereafter for the future be unjust and unreasonable; and that an order should be issued authorizing consolidation of the exchange office areas; therefore,

IT IS ORDERED as follows:

1. Applicant is authorized to cancel and withdraw, upon the retirement of the Main Central Office of the Whittier exchange, service offerings from such office and to transfer existing subscribers to the South Central Office and to apply the service offerings of the South Central Office of the Whittier exchange at existing filed rates

-3-

of the South Central Office.

2. Applicant is authorized to file in quadruplicate with this Commission after the effective date of this order and, on not less than five days' notice to the Commission and to the public, in conformity with the Commission's General Order No. 96, revised tariff schedules to carry out the authority contained in Ordering Paragraph No. 1 above.

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

	Dated	at	San Francisco	J	California, this 15
day of	,	NOVEMBER	· · · · · · · · · · · · · · · · · · ·	, 1960.	
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